DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FOURTH SESSION—TWENTIETH PARLIAMENT

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1948

HOUSE OF COMMONS

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HOUSE OF COMMONS

Thursday, March 11, 1948

The house met at three o'clock.

HOUSE OF COMMONS

POST OFFICE—DISTRIBUTION OF COMMUNIST NEWSPAPER

Mr. FREDERIC DORION (Charlevoix-Saguenay): Mr. Speaker, I rise to a question of privilege. A few days ago many members, and I was one of them, received through the post office of the House of Commons a copy of the communist newspaper *Combat*. The envelopes containing that paper, like the one I hold in my hand, did not bear any post office mark, contrary to section 275 of the post office regulations, which reads as follows—

Mr. SPEAKER: Order. I would ask the hon. member to state his question of privilege.

Mr. DORION: I am about to do so, Mr. Speaker, but I submit that on a question of privilege we are entitled to explain why we raise the question. The section to which I refer reads:

> Postmasters should be careful to postmark distinctly all letters, registered or ordinary, posted or received at their offices, and to effectually cancel all stamps thereon.

As the envelopes we received did not bear any postmark as required by the rules, we cannot identify the post office they were mailed at or where they came from.

It is stated in that newspaper that it was published in Montreal, but we cannot ascertain where it was mailed.

My point of privilege, Mr. Speaker, is that our mail boxes are not rubbish cans and that they should be used only in accordance with the post office regulations.

DEBATES BRANCH—REPORT OF CIVIL SERVICE COMMISSION

Mr. SPEAKER: I have the honour to lay on the table of the house a report of the civil service commission relating to the appointment of Miss M. E. Black to a permanent position in the debates branch of the House of Commons.

REPORTS OF COMMITTEES

BANKING AND COMMERCE—FIRST AND SECOND REPORTS—CONCURRENCE IN FIRST REPORT

Mr. HUGHES CLEAVER (Halton) presented the first and second reports of the standing committee on banking and commerce, and moved that the first report be concurred in.

Motion agreed to.

NEWFOUNDLAND

QUESTIONS SUBMITTED TO CANADIAN GOVERNMENT AND ANSWERS THERETO

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Yesterday there was a question on the order paper by the hon. member for Broadview (Mr. Church) with respect to developments in connection with the possible entry of Newfoundland into confederation, and I asked that it be allowed to stand. As I understand that the Prime Minister has information to communicate to the house today, before that is done, I should like to table copies of certain additional questions that were submitted to the Canadian government by the governor of Newfoundland, and copies of the answers that were given to those questions.

ANNOUNCEMENT OF REFERENDUM ON FUTURE FORM OF GOVERNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I might give the house immediately the statement to which my hon. friend the Secretary of State for External Affairs has just referred.

We have been advised by the United Kingdom government that a statement is to be issued today in Newfoundland announcing that the people of Newfoundland will be given the opportunity shortly to vote in a referendum on their future form of government. Three questions will be submitted to the people: continuation of commission government for a five-year period; restoration of responsible government as it existed in 1933 prior to the establishment of commission of

government; and confederation with Canada. If no form of government receives an absolute majority, a second vote will be held some time later on the two forms receiving the largest support.

I think it would be useful were I to remind the house of the recent steps preceding the present announcement. It will be recalled that last summer a delegation from the national convention visited Ottawa to ascertain what fair and equitable basis might exist for federal union of Newfoundland and Canada. A committee of the cabinet was appointed to meet with the Newfoundland delegation. Several meetings were held during the summer for the exchange of information and exploration of the many issues that would be involved in union. At the close of these meetings a comprehensive report was issued, copies of which were tabled early in the present session of parliament.

After due deliberation the government sent the governor of Newfoundland, for transmission to the national convention, a statement of terms believed to constitute a fair and equitable basis of union of Newfoundland with Canada should the people of Newfoundland so desire. In a covering letter under date of October 29 last to the governor, I said in part:

> I feel I must emphasize that as far as the financial aspects of the proposed arrangements for union are concerned, the government of Canada believes that the arrangements go as far as the government can go under the circumstances. The government could not readily contemplate any change in these arrangements which would impose larger financial burdens on Canada. On the other hand, with respect to those matters which are primarily of provincial concern, such as education, the government of Canada would not wish to set down any rigid conditions, and it would be prepared to give reasonable consideration to suggestions for modification or addition.

The statement of terms transmitted by the Canadian government was discussed at length by the national convention in Newfoundland. The convention, however, voted 29 to 16 against recommending the inclusion of confederation on the referendum ballot. Subsequently many telegrams, bearing the names, it is said, of some 50,000 voters, were sent to members of the convention for transmission to the Secretary of State for Commonwealth Relations requesting that the people be permitted to vote on the question.

The national convention was only empowered to make recommendations regarding the questions to be included on the referendum ballot, decision on the matter remaining with the United Kingdom government. The dispatch from the United Kingdom government made public today in Newfoundland explains that—

> —the terms offered by the Canadian government represent the result of long discussion with a body of Newfoundlanders who were elected to the convention and the issues involved appear to have been sufficiently clarified to enable the people of Newfoundland to express an opinion as to whether confederation with Canada would commend itself to them. In these circumstances and having regard to the number of members of the convention who supported the inclusion of confederation with Canada in the ballot paper, His Majesty's government have come to the conclusion that it would not be right that the people of Newfoundland should be deprived of an opportunity to considering the issue.

The decision to include confederation on the ballot having been taken by the United Kingdom government, the outcome will be watched with deep interest by the people of Canada. The question as to their future form of government is, of course, one for the people of Newfoundland alone to decide. Neither the government nor the people of Canada would wish to influence in any way their decision. Should the people of Newfoundland express clearly their will that Newfoundland should enter confederation, I am sure that the people of Canada will welcome them as partners in a larger Canada. Should they decide otherwise, this decision, I am no less sure, will be received with understanding and respect by the people of Canada.

Mr. DORION: Will the proposed arrangement addressed by the Canadian government to Newfoundland be submitted to this house before any agreement is concluded, in case the result of the referendum in Newfoundland is favourable to its entry into confederation?

Mr. MACKENZIE KING: The answer is yes. That is part of the terms we are prepared to recommend.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 127, for the relief of Joseph Onfroy Pilon.—Mr. Maybank.

Bill No. 128, for the relief of Thelma May Heggie May.—Mr. Maybank.

Bill No. 129, for the relief of Molly Renetta Fry Bist.—Mr. Maybank.

Bill No. 130, for the relief of Patricia Potter Parker.—Mr. Maybank.

Bill No. 131, for the relief of Helen May Smith Saunders.—Mr. Maybank.

Bill No. 132, for the relief of Jean Duncan Girard.—Mr. Maybank.

Bill No. 133, for the relief of Evelyn Sylvia Jones Bowen.—Mr. Maybank.

Bill No. 134, for the relief of Joseph Eugene Bourbonnais.—Mr. Maybank.

VETERANS AFFAIRS

INQUIRY WITH RESPECT TO PROVISION FOR DEPENDENTS OF THE LATE DOCTOR BOWIE

On the orders of the day:

Mr. G. R. WEBB (Leeds): I should like to ask a question of the Minister of Veterans Affairs. I am sorry that I did not have an opportunity of sending him notice of it before the house opened. What decision has been reached with regard to the payment of funeral expenses and a pension to the widow and children of Doctor Bowie, who was shot and killed while doing his duty as a medical officer in the employment of the Department of Veterans Affairs?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): I have been in touch with this case, and have just been informed at the noon hour that the grant to Mrs. Bowie must be placed in the department's estimates. We are therefore placing an item in the supplementary estimates for this year in an effort to speed up action in this matter. In the meantime I can assure hon. members that all steps will be taken that can be taken to make sure that the widow is not under any disadvantage.

FUEL OIL

QUESTION OF AUGMENTING SUPPLY TO PROTECT PRESENT PRICES

On the orders of the day:

Mr. PARK MANROSS (London): I should like to direct a question to the Minister of Trade and Commerce. In view of the fact that some dealers are raising the price of fuel oil for domestic heating from 17½ cents per gallon to 26 and 28 cents, will the minister make a statement as to whether anything can be done to augment the present supply so that existing contracts can be protected at present prices?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I should point out, Mr. Speaker, that neither the Minister of Trade and Commerce nor any other member of the government has any legislative authority to interfere with the distribution of fuel oil or to regulate the price. However, the good offices of the government have been exercised to see that no Canadian householder has been without fuel oil, and I think in that regard we have been successful. As far as the price is concerned, usually the difficulty lies with small dealers who took customers after the government asked them not to do so, and who did not contract for supplies sufficient to protect those customers. Those dealers must get fuel oil where they can. If there are extra transportation charges involved, the dealers must pay the charges, and I presume they must pass them on to their customers.

Mr. COLDWELL: Good old private enterprise!

VEGETABLES

INQUIRY WITH RESPECT TO IMPORTATION BY AIR FROM THE UNITED STATES

On the orders of the day:

Mr. J. O. PROBE (Regina City): I should like to address a question to the Minister of Finance (Mr. Abbott) who is not in his seat today. If the parliamentary assistant can answer, I will appreciate it; if not, it can be taken as notice for tomorrow. Is the minister aware that certain fresh vegetables now banned from import to Canada from the United States are being flown into Canada daily from California by commercial aircraft? Will the minister explain to the house why these vegetables are being admitted when ordinary bulk vegetables such as lettuce and celery are barred from import into Canada?

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): I will take notice of the question and bring it to the minister's attention and see that it is answered as soon as possible.

NAILS

PRIORITY FOR GOVERNMENT HOUSING PROJECTS

On the orders of the day:

Mr. R. E. DROPE (Northumberland, Ont.): I should like to ask the Minister of Trade and Commerce whether any control is exercised by the federal government over the distribution of nails. If so, has any order or direction been given under which priority provision has been established for government housing projects? If so, when was that order issued, and under what authority?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Under the priorities officer the department does protect veterans housing and low cost housing projects generally. That is the only priority exercised. It is exercised by virtue of the reconstruction and supply act and the emergency legislation authorized by the house last session.

LABOUR CONDITIONS

ALLEGED COMMUNIST ACTIVITY AMONG CANADIAN SEAMEN

On the orders of the day:

Mr. J. H. DICKEY (Halifax): Has the Minister of Labour any information with respect to recent communist activity in inciting unrest among Canadian seamen, and among officers, engineers and wireless operators of the Canadian merchant marine?

Hon. HUMPHREY MITCHELL (Minister of Labour): In reply to the junior member for Halifax I would say that efforts have been in progress to bring about an agreement affecting the personnel of the deep sea ships. The classes of personnel were unlicensed men and executive officers, engineers and wireless operators. The department has given conciliation service through the good offices of Mr. Justice McNiven of Regina, who for many weeks in Montreal endeavoured to have the parties concerned reach an agreement. I can only say that an agreement was reached as far as the unlicensed personnel were concerned, but unfortunately that has not been possible with respect to the executive officers, engineers and wireless operators.

I should add, Mr. Speaker, that as far as my knowledge goes, during those negotiations there was no evidence of communist activity. However, since the strike there has been picketing of ships which is hard to account for, because it is obvious that there are not sufficient officers involved to form the picket lines. This fact has led to the assumption by many people that there is a communistic activity, but I have no evidence at the moment that such is the case. I consulted the officials in charge of the R.C.M.P. and they have no evidence of communist activity other than the well known fact that the communist party has made statements in support of the strike.

UNEMPLOYMENT

SUGGESTED PAYMENT BY FEDERAL GOVERNMENT OF SHARE OF RELIEF COSTS

On the orders of the day:

Mr. W. R. THATCHER (Moose Jaw): I should like to ask the Minister of Labour a question, of which I sent him notice earlier. In view of the unemployment in certain sections of Canada and the increased number of people on relief, has the government given consideration to paying a share of the relief costs, as was done prior to the war?

Hon. HUMPHREY MITCHELL (Minister of Labour): The answer is in the negative. I am sure the hon. member knows the employment figures as well as I do. According to the last report, roughly 200,000 people were registered for employment out of a total of just under 5,000,000, the highest employment figure in the history of the dominion. I think my hon. friend will also agree that some persons are very difficult to place, for reasons obvious to everyone who can read and write. I should point in passing to the progress that has been made since the period of which my hon. friend speaks. The various governments now spend an average of about $750,000,000 a year in social services, of which eighty per cent is provided from the dominion treasury. These embody such plans as children's allowances, unemployment insurance, old age pensions and the like. I am sure my hon. friend will agree that we are better able to face any temporary or what I might call seasonal layoffs than we have been since this parliament was first established.

LOANS TO OTHER COUNTRIES

INQUIRY AS TO AMOUNTS NOT REPAID

On the orders of the day:

Mr. E. D. FULTON (Kamloops): In the absence of the Minister of Finance I should like to direct an inquiry to his parliamentary assistant. On Wednesday of last week I asked the minister a question about the repayment of Canadian loans and credits to various countries. I repeated the question on Friday, when the minister said he would let me have an answer on Monday. I would appreciate it if his parliamentary assistant would bring the matter to the attention of the minister and ask if I might have an answer tomorrow.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): The minister is absent today on official business. I shall bring the matter to his attention and try to get the answer for the hon. member tomorrow.

WHEAT

PRAIRIE FARM ASSISTANCE—OVERPAYMENT UNDER WHEAT ACREAGE REDUCTION SCHEME

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): On February 27 I asked the Minister of Agriculture a question respecting certain regulations under the Prairie Farm Assistance Act. At that time the minister indicated that he would reply at a later date. I wonder if he is able to reply today.

Right Hon. J. G. GARDINER (Minister of Agriculture): If I remember correctly the questions asked were the questions I stated

the other day had been referred to the Minister of Justice. As soon as I receive the final reply the question will be answered.

IMMIGRATION

INQUIRY AS TO POLICY WITH RESPECT TO COMMUNISTS

On the orders of the day:

Mr. A. L. SMITH (Calgary West): I should like to repeat a question I have asked for the last two days, as to what has been done or what is the government policy with respect to the exclusion of known communists at our ports of entry. The Secretary of State for External Affairs was kind enough to tell me that when the Minister of Mines and Resources returned I would have an answer; but surely, sir, this must be a matter of government policy, and surely somebody can answer the question. This is Thursday; tomorrow is Friday, and then we go into next week. I should like to be sure I get an answer this week.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I did not prepare any special answer to the question, but I can say this much. The sections of the act and the regulations have been under review by the members of the government in the light of known conditions with respect to certain persons who could be described as known communists, who were believed to be coming to Canada for the purpose of exercising here activities which under the Taft-Hartley Act they can no longer exercise in the United States. The decision has been that the immigration officers are to be asked or directed to take the view that under the existing law and regulations such persons are not admissible to Canada.

Mr. SMITH (Calgary West): Then may I ask a supplementary question, to make sure I understand the position. My impression has been that we have always had the authority, by statute or by regulation, and that there are now instructions that these shall be enforced. Is that the simple position?

Mr. ST. LAURENT: The position is simply that we have no more authority at the present time because of this view taken by the government than we had before, but that the present circumstances, known to us at this time, seem to make the law and the regulations applicable in such a way as to prevent the granting of entry to Canada to such persons.

Mr. SMITH (Calgary West): In short, we have always had the authority but have not used it?

Mr. ST. LAURENT: We always had the authority if we had the evidence that the individual to whom it was to be applied came within the terms of the statute and regulations, and we now feel there are a number of persons with respect to whom we have that evidence.

Mr. THATCHER: Then I should like to ask a supplementary question. Has the government recently taken any steps to cancel the immigration permits of American communist labour leaders already in Canada?

Mr. ST. LAURENT: I am afraid that is a matter of departmental administration, and I would not like to speak from what is my general impression. I would wish to have that impression confirmed by the officers of the immigration branch. I will ask them for accurate information about it. I hope the minister will be in his seat tomorrow. If he is not I shall endeavour to obtain the information from his department.

Mr. SMITH (Calgary West): You might include England; I am thinking of Pollitt.

Mr. ROWE: In view of this question as to the entry of communists into Canada, would the minister tell us what types of communists, different from those already here, might be kept out?

Mr. ST. LAURENT: I should not like to express any opinion with respect to a comparison between individuals in Canada and those outside.

PENSION ACT

RATES OF PENSION FOR DISABILITY AND DEATH—SALARIES OF PENSION COMMISSIONERS

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the second reading of Bill No. 126, to amend the Pension Act.

He said: Mr. Speaker, in submitting this bill for second reading I shall try this afternoon to confine my remarks to points related directly to the bill and of interest in general to all members of the house, since a more detailed examination will, I hope, be possible by the members of the select committee.

It is a bill proposing certain amendments. The general principle I think might be indicated as follows: a greater degree of compensation to those who have suffered on account of disability or death due to war services in the armed forces of our country. The bill is designed to increase that compensation and to effect other changes intended to improve the administration of the Pension Act.

There is another subsidiary principle implied in the bill which was not recognized in the original Pension Act of 1916. In the middle of the old war one might perhaps guess that the terms of the original act were worked out in relation to the practice after former campaigns, campaigns in which a professional army went off, did its work, came back and was demobilized; and the scale for compensation for pension for various ranks was worked out bearing a direct relationship to the pay of those ranks when in the service.

Following 1916 the first upward adjustment of pensions was made in the year 1919. Then for the first time there came a recognition of new factors inherent in the make-up of a citizen armed force. Ever since then all ranks up to ex junior officers—here captains or equivalents—all received the same rate of pension, and all increases have been concentrated entirely upon that group of pensioners. That policy is continued in this bill.

I might say there that the proposed new basic scale of pension for disability and death is in excess of the rate being paid at the moment for captains. Following are the total numbers of awards payable at present to officers of the rank of major, or equivalent, and above. This is for both wars. The total of such officers now pensionable is 1,824 out of a total of pensionable all ranks of 199,250. I might refer here to a little bit of ancient history on pensions. In accordance with recommendations of a special parliamentary committee as far back as 1919 a bonus of twenty per cent over the basic rate of pension then in force for the rank and file was authorized by the Pension Act of 1919. The cost of living index for that year was 126·5. In view of the possibility that in future years prices might recede, the committee was of the opinion that increases in pension should be in the main effected by way of a bonus to be continued until such time as the cost of living warranted its modification.

This bonus was increased to fifty per cent by the 1920 amendments to the Pension Act, and authorized in such a manner as to make the pensions for others ranks equal to that of lieutenant, or equivalent. The cost of living index for July 1920 was 150·6. The average for the year 1920 was 145·5.

The bonus as such was authorized each year until June 27, 1925 when schedules A and B of the statute were re-enacted so as to include the bonus in the basic rate of pension, and this has remained in effect notwithstanding subsequent reductions in the cost of living. The cost of living index was 119·8 in June, 1925.

[Mr. Gregg.]

Recently, questions have been asked me outside the house somewhat as follows: Is it the government's intention that this present proposed increase constitute a new basic scale of pensions, or is it intended that the increase slide up and down in direct relation to the future cost of living index?

The answer to that and similar questions is this: The government does propose in this bill an increase in the basic rate of pension and it is not intended that it should fluctuate according to the changing cost of living index.

I should like now to give the house a brief outline of the main proposals contained in Bill No. 126 to amend the Pension Act.

Amendment 1 can be dealt with by saying that it will be appreciated by hon. members that a member of the forces cannot be considered as an applicant for pension until his retirement or discharge from service is effected. After world war I some members of the permanent force were retired one day and retaken on strength the following day, and awarded pension for service disabilities. Many who served in world war II elected to serve with the interim force and continued with the active force. They have never been boarded for retirement or discharge from service in world war II. There appears no reason why their claims should not be considered, and the proposed amendment will rectify the situation.

Amendment 2: This amendment gives effect to the proclamation in the *Canada Gazette* whereby, for purposes of the Pension Act, the first day of April 1947 was declared as the date of termination of world war II.

Amendment 3: The amendment provides for an increase in the salary of the chairman, as recommended by the Gordon commission report of July 1946. It also provides for the deputy chairman and the commissioners.

Amendments 4 and 5: The explanatory notes are sufficient; I believe they are completely self-explanatory.

Amendment 6: This amendment provides for an equalizing increase in the scale of awards of helplessness allowance to officers of the rank of captain to lieutenant-colonel, or equivalent, inclusive, as otherwise they would have received less than the total pension payment to those of lower rank.

Amendments 7 and 8 are to provide for certain necessary administrative changes. Amendment 9 provides additional compensation to a parent. When a member of the forces died and left a widow or a widow and children entitled to pension, and in addition a dependent parent, the act provided an award of $180 per annum to such parent. In

1944 this was increased to $360 and it is now proposed to make a further increase to $480 per year.

Amendment 10 is a much needed amendment to meet a few special cases. I will give hon. members an example. A South African veteran in receipt of 100 per cent pension died but his widow was not eligible for an award under British ministry regulations. This amendment will establish equality for all Canadians who served with the Canadian contingents in the South African war on the same basis as those who served in world wars I and II.

In the case of amendments 11 and 12, the former is mainly administrative.

Mr. SPEAKER: I am sorry to interrupt the minister, but on second reading of a bill only the principle should be discussed. I suggest that if the minister wishes to cover the amendments he just mention them rather than discuss them in detail.

Mr. BENTLEY: If it is within the right of the house to give unanimous consent for the minister to continue to do what he is doing, I suggest that it be given.

Mr. BLACKMORE: I would like to have the minister proceed as he has planned to proceed, because he is doing a good job.

Mr. SPEAKER: I suggest to the minister and to the house that the rules should be followed. There will be an opportunity in committee to discuss the bill clause by clause. Only the principle of the bill should be discussed on second reading, otherwise we shall be exposing ourselves to having discussion twice of the same subject.

Mr. BLACKMORE: Could not Your Honour make an exception in this particular case, inasmuch as the minister is ready to make his speech?

Mr. GREGG: I shall be glad to comply with your ruling, sir, and to resume before the parliamentary committee the giving of the information with respect to the amendments.

Mr. KNOWLES: On the point of order, may I point out that it has been more or less agreed that once second reading has been given this bill it will be referred to the committee on veterans affairs, after which it comes back to the committee of the whole. As there is so much interest in this matter perhaps unanimous consent might be noted by Your Honour and the minister permitted to proceed.

Mr. ROWE: The Speaker's ruling is not debatable.

Mr. SPEAKER: Hon. members will realize that if unanimous consent is given to do this the house will be exposing itself to a discussion of the clauses of the bill when it is up for second reading. I suggest to hon. members that as this bill is to be referred to a committee and then brought back to the committee of the whole house it would be preferable if the minister and the house would abide by the rules and discuss only the principle of the bill.

Mr. GREGG: I think the situation might be met if in my further remarks I covered certain points which hon. members have in mind.

As intimated by the Prime Minister (Mr. Mackenzie King) in the house on February 16, these increases will, to a greater or lesser degree, affect about 400,000 beneficiaries under the Pension Act, and with the co-operation of the house it is hoped to get the adjustment cheques in the mail by the end of this month.

The March pension cheque will be on the present scale and will be issued on the regular date. It is planned that the adjustment cheque will be a separate one and will practically be the equivalent of one month's pension. With that done as indicated, regular monthly pension cheques will be able to reflect monthly increases starting April 30 and continue in regular order from then on.

During the course of the debate last Monday the hon. member for Royal (Mr. Brooks) proposed that there should be a standing committee of the house on veterans affairs, and subsequent speakers endorsed the proposal. I know the suggestion is not a new one, but it is one which I as a newcomer would like to consider. In the light of the experience to be gained in the committee which is now set up I hope to be in a much better position to form an opinion later on in the session.

The hon. member for Weyburn (Mr. McKay) stated:

> Pensions and allowances still remain at the basic rate which was struck in 1926.

Actually the present pension scale was established in 1920 when a bonus of 50 per cent was added to the basic rate and the cost of living index for July of that year was 150·6.

Mr. BROOKS: The minister says the cost of living index was 150; what was the basic year?

Mr. GREGG: That was 1920.

Mr. BROOKS: What year was 100?

Mr. GREGG: I cannot answer that question but I shall try to get the answer. The bonus was continued at the same rate until 1925 when it was included in the basic rate and it has remained unchanged.

The hon. member for Acadia (Mr. Quelch) was satisfied that the terms of reference of the committee would be wide enough to permit all matters relating to my department to come before the committee. I have already given assurance that such will be the case. In connection with his observations relating to the present procedure of reducing pensions of veterans of world war I when examinations show a reduction in their disability, I will welcome a full inquiry by the committee at the appropriate time.

In the meantime I should like to refer to a few figures relating only to world war I. I am sure these will be of interest to the house. These include the period from January 1, 1947 to January 1, 1948 and cover examinations in Canada, a few in the United States and in Great Britain. The figures are:

Pensions increased	2,274
Pensions decreased	147
No change on re-examination	2,913
Continued without change	64,402
Total existing pensions in force as at December 31, 1947	69,736

During the same calendar year there were 191 new awards of pensions to veterans of world war I and 88 reinstated on pension, or a total of 279 new awards as at the end of the last calendar year.

In the course of his remarks the hon. member for Vancouver South (Mr. Green) quoted figures supplied by my department regarding the number of cases wherein the Canadian pension commission had ruled an award of pension was not indicated because the condition claimed for was ruled to be pre-enlistment in origin and not aggravated during service. In so doing he stated that these men were "taken into the forces as fit and discharged as unfit." His assumption in that regard is not quite correct. The majority were not discharged as "unfit," but were discharged on "demobilization." Full details in that regard will be readily available to the members of the special committee. Every Canadian who incurred injury or disease resulting in disability during service is entitled to, and will receive, compensation in accordance with the assessment of the degree of service disablement as provided for in the Pension Act. That is mandatory, the responsibility of the Canadian pension commission, and is a trust which I know they endeavour to discharge with sympathy and understanding.

The hon. member for Souris (Mr. Ross) asked about the report of the McCann committee. That report is available and was tabled in the house last Tuesday.

[Mr. Gregg.]

When the hon. member for Nanaimo (Mr. Pearkes) referred to the adjustment cheques he said: "Let us get them out now." I am glad to have the assurance of his co-operation in that regard. The staff of the pension commission and of the chief treasury officer who have worked long nights and hours of overtime in the preparation of these cheques will be gratified to know that their spontaneous voluntary efforts are so well appreciated. He also mentioned some widows and orphans of Canadian members of the ferry command "who are in much strained circumstances." I am advised all dependents were notified in writing of the provisions of part X of the Civilian War Pensions and Allowances Act and I shall be pleased to have full inquiry made on behalf of any such case if the hon. member will send me the necessary particulars.

It was not my intention to speak at length, Mr. Speaker, but only to touch on a few of the major points relating to the bill which were brought out during the previous debate. As I stated at the close of that debate, "the record of *Hansard* will be studied and the points brought forward will be submitted to the committee." That discussion will not be limited. It may cover all phases of the Pension Act and of the various groups, merchant seamen, fire fighters, and so on, who are provided for in the Civilian War Pensions and Allowances Act, which is subject, in many respects, to the provisions of the former act. I have pleasure, Mr. Speaker, in now moving the second reading of the bill.

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, I understand that the members of the steering committee of the veterans committee have more or less arrived at an agreement whereby all parties in the house will make every effort to facilitate the second reading of this bill. As far as this party is concerned we hope that the debate will be limited to one speaker, but if other speakers rise that is, of course, something that we cannot control. I assure the minister that there will be no attempt on our part to hold up or delay the second reading, because we want to see the bill go forward to the veterans committee.

The main feature of Bill No. 126 is its provision for an increase in the basic rate of pension. Other clauses of the bill are of importance, but the one in which all members of the house are most vitally concerned is the one providing for an increase in the basic rate.

I presume, Mr. Speaker, that the Minister of Veterans Affairs (Mr. Gregg) who has introduced and is sponsoring this bill feels that

the increase it provides for is fair and reasonable and sufficient for the veterans. No doubt the bill has been most carefully studied by the cabinet, and therefore I take it that its provisions represent the opinion of the cabinet that this small increase is sufficient and is the amount to which the veterans are entitled. If I am wrong in that opinion, if the Minister of Veterans Affairs or any other member of the cabinet is not satisfied with the increase that is granted, we can only assume that it is the treasury board who are dictating the amount of the increase to be made in the basic pension rate.

No one will dispute my statement that this increase is long overdue. As the minister stated a few moments ago, no change has been made in the rate since 1925-26, despite the fact that today we are living in an entirely different world which has seen a huge increase in the cost of living and a great increase in the wages of all employees. I would point out, Mr. Speaker, that during the war years a very large number of employees and wage earners in this country were granted cost-of-living bonus, but no such provision or allowance was made to the veterans who received a pension. I well remember when the present Minister of Justice (Mr. Ilsley), then minister of finance, announced on introducing his budget that the pension paid to a veteran would be taxed as income, and the veteran did pay tax on his pension. True in a later budget that tax was removed. But today, after all these years since 1925, no adjustment has been made in the basic rate of pension. After the veteran has been denied the cost-of-living bonus during all the war years, and after he has had to pay income tax on his pension, the Minister of Veterans Affairs now brings in a bill providing for a slight increase in the basic rate of pension which in my opinion is totally inadequate. If there are any members of the house who consider that this increase is adequate, just, fair and sufficient for the veteran, I should be glad if he would get up right now and say so. This country can well afford to pay a larger increase. When one remembers the proposals of the Prime Minister (Mr. Mackenzie King) to beautify Ottawa and surrounding district as a national memorial to the veterans who gave their lives in world war II, one wonders how the government can undertake such an expenditure, running into hundreds of millions of dollars over the years which it will take to carry out this scheme, and yet hedge and quibble when it comes to raising the basic rate of pension. I wonder how many veterans, veteran organizations, soldiers clubs or associations have been consulted as to what kind of national memorial we should have to the veterans who gave their lives in world war II. It has always been my opinion, Mr. Speaker, that any national memorial to the veterans of world war II should be in such a form that the veterans or their dependents would derive some benefit from it. I have suggested several times in this house that the awarding of a large number of scholarships spread across the country, open only to children of veterans of world war II, would over the years yield a return far beyond the cost and would not in any way amount to the huge sum which it is proposed to expend in order to beautify the city of Ottawa as a national war memorial.

The general public are keenly interested in this bill, and that has been indicated by the wave of protests from across the entire country after the announcement made by the Prime Minister during the session in December. Apparently the general public do not approve of this small increase, and we had to wait for nearly three months before the Prime Minister made another announcement when he raised the increase from $10 to $12 a month.

The government and all members of parliament have received many letters, briefs and resolutions protesting against this small increase. During the last two weeks members have received copies of many resolutions from municipal councils who have taken the matter up and passed resolutions urging that the basic rate for a 100 per cent disability be placed at $100.

The Minister of Veterans Affairs a few months ago referred to the way in which the increase in bonus was given in 1920 and following, up to 1925. I find in *The Legionary* of February 1948 an article entitled "Pension increases are not adequate", and in that article the writer sets out certain information as to how the 1926 or 1925 rate, whichever is correct, was arrived at. I should like to read a couple of paragraphs from it. First I should say that in this article the legion proposes a basic pension rate of $100 a month, and the article goes on to say:

> Such a revision would be entirely equitable because it is based on the approximate rise in the cost of living since 1926 when the present pension rates were established by incorporation of the existing cost-of-living bonus. The index then stood at 121·8; today it stands at 146. Anything less than a 25 per cent increase would simply lower the standard of living of the pensioner, who is unable to support himself by any other means, to less than subsistence level. There are indications that the cost of living will mount still higher, in which case some additional supplementation may be required later. Such supplementation, we suggest, should be in the form of a cost-of-living bonus.

There is further justification for such an increase to be found in the wage scale of common labour. When the pension rates were established after the first great war they were based on the medically-assessed ability of a veteran to take employment in the common labour market. Thus there is a definite relation between the 100 per cent pension rate and the wages applicable to common labour. The average rate for such labour is somewhere between 50 and 60 cents per hour in rural areas and 65 to 85 cents per hour in urban areas.

A low average for the dominion would be 55 cents per hour. A monthly wage at this rate for an 8-hour day, 5½-day week, would be approximately $100. A 25 per cent increase over present rates would approximate this figure.

That seems to me a very fair and reasonable comparison, and I would point out to the minister that at the time this article was written the index stood at 146. Today I believe it is over 150 and will probably go higher. I would also point out that the index as it is given out does not, in my opinion, represent the true increase in the cost of living. This article shows that wages in the common labour market were taken into consideration, and if today the minister, or whoever worked out this formula or basis for the increase, is using the same method or formula, I hope he will tell the house when he closes the debate.

I would also like the minister to put on *Hansard,* if he can, a table giving a breakdown of the $75 a month and a breakdown of the $87 a month showing how they are apportioned for the support and maintenance of the disabled veteran.

Among the many letters that members have received is one from the Native Sons of Canada. This letter set forth the whole problem in a plain and simple way. The letter is dated February 7, 1948, and I do not think any member of this house could state the problem any better than it is set forth here:

This is an open letter on what should be a closed question—the debt of Canada to her disabled veterans and their dependents.

The rising cost of living has accentuated their plight and gained them the promise of a pension increase of $10 a month. But this crumb from the table of Canadian plenty is not nearly enough.

The whole approach to the problem is wrong. The veteran's pension is not a gratuity. It is the wages of war. It is the attempt to pay a debt that cannot be measured in dollars and cents—our liability for lives lost and bodies battered wherever Canada's men fought our fight. We cannot replace the war torn mind and body nor bring back life to the fallen. We cannot make blind eyes see, put back the arms and legs that have gone, heal all the wounds and ailments incurred in our defence. We cannot restore the son to his mother, the husband to his wife, the father to his children.

[Mr. White (Hastings-Peterborough).]

What compensation then can we make? The very least we can do is to give these disabled veterans or their dependents the equivalent of their lost earning power—what as average Canadian workers they would receive in their pay envelope if war had not destroyed or diminished their ability to work. We should give these men and their families everything they would have had in the normal course of events had not the ruthless hand of war ripped them out of their accustomed place in civilian life in Canada.

The people of this country expect their elected representatives, before declaring a surplus and reducing taxation, to pay the debts of Canada. This is the greatest. For the honour of Canada —pay it!

One of the amendments to the act mentions the case of a widow whose deceased husband had a disability of fifty per cent or over. In such cases the widow receives a pension after the death of her husband. That is quite proper. But it has always appeared to me that there is a certain discrimination here because the widow of a veteran who had a disability of less than fifty per cent receives no pension after the death of her husband. Apparently the government has recognized liability and obligation to the widow. If so, why restrict this obligation to the widows of pensioners who had a disability of fifty per cent or over? No doubt the majority of pensioners have a disability of less than fifty per cent, and I think it is true to say that after the death of the veteran his widow then is probably more in need of assistance than during his lifetime. The only assistance which the widow of a veteran with a disability of less than fifty per cent can receive is under the War Veterans Allowance Act, and then she has to pass the means test.

I recommend to the minister that he give most careful and earnest consideration to an amendment to provide that widows of veterans in receipt of pension, with a disability of less than fifty per cent, shall receive a pension at least equal to the amount payable to widows under the war veterans act, without the means test. I would also suggest to the minister, inasmuch as he mentioned today the matter of veterans of world war I, that there should be some provision in the act to make it impossible from now on for the pension payable to any veteran of world war I to be cancelled or reduced; also an amendment by which all pensioners would receive automatic increases when they reach a certain age, irrespective of whether their disability is due to gunshot wound or not. So far as this party is concerned, Mr. Speaker, we are in favour of and advocate a basic pension rate of $100 per month for 100 per cent disability. This is no new statement on the part of this party, because it has been advo-

cated by our leader on many occasions and by many members in this house since the 1945 election.

With reference to the remarks the minister made about the sending out of adjustment cheques, I was not quite clear as to their import. I would ask him to state, when he closes the debate, if it is true that these cheques are now being made out and are to be sent out early in April; because if that is correct, it indicates to me that the government is firmly resolved that there is to be no further increase in the basic rate of pension.

The minister also mentioned the various scales of pension paid to privates, non-commissioned officers and junior officers as compared with the higher rates of pensions paid to the senior officers. As I pointed out only a few days ago when speaking on the address in reply to the speech from the throne, there is a tremendous difference there. A private receives $900, whereas a senior officer receives $2,700 a year; and now under the new rate the private will receive $1,044 while the senior officer will still receive $2,700. Why is there this great discrimination? Why the difference between the amount paid to junior officers and privates and the amount paid to senior officers? In world war II we found in the ranks men from every profession, station and walk of life. We found the same condition among the officers of world war II. How can the minister continue this unjust discrimination? A private may be receiving $900 a year and a brigadier $2,700; yet in civil life both engaged in the same occupation—bank clerks, labourers, teachers, or farmers. Why should we carry into civil life this class distinction which has no place in this democratic country? For I say to the minister that the payment of these large pensions to higher ranks makes it most difficult for the people of Canada to understand why the department can approve them and yet quibble, chisel and grant an increase of only $12 a month to the privates, n.c.o.'s and junior officers. I for one am most anxious that the minister should make some explanation on this point. After all, the loss of a leg, an arm or an eye—or any other disability—should demand the same payment to the private as to the brigadier. There is no question that the private went through far more hardship than any brigadier, and each may have suffered the same pain or torture as a result of his disability.

The bill also provides for an increase in pay to the thirteen pension commissioners, $1,000 a year, from $7,000 to $8,000. The estimates tabled a day or so ago showed that the commissioners received in salaries for the past year the small sum of $100,500. It is most unfortunate that the minister has seen fit in this bill to include an increase of $1,000 to the commissioners when in the same bill he is granting an increase of only $12 in the basic rate of pension. There are few in this house who will not agree that $7,000 is not a bad salary. A short time ago all county court judges in the province of Ontario received a salary of only $5,000 a year. A bill was introduced in this house by which the salary of county court judges was increased to $6,666 a year. Apparently the government thought that this was a proper and fair salary for a judge under present conditions. A judge is one who has had long experience in the law and who holds a high and important position in the community. He carries out the important duties of the judiciary which is the bulwark of democracy in our country. Even with the increase recently granted to judges, they are still below the present pay of the pension commissioners, which is $7,000; and it is now proposed to give them $8,000 a year.

In Ontario the magistrates receive from $5,000 to $7,000 a year. I think that the pay, work and responsibility of a judge or magistrate can be fairly compared with the pay, work and responsibility of a pension commissioner. Referring in this connection to the pensions advocate, my understanding was that it was his duty to protect the interests and welfare of the veteran; certainly the veteran needs somebody there to protect him. This important person, the chief pensions advocate, up until this year received the sum of $5,100 a year, but I believe there is an increase bringing him up to $5,680. It seems to me, Mr. Speaker, that if the pension commissioners are worth $8,000, then the chief pensions advocate, who has all these thousands of cases across the country to look after, is worth considerably more than the amount he is receiving.

Up to 1944 the pension commissioners received $6,000 a year. Either at the end of 1944 or in 1945 they were granted an increase of $1,000 and were paid $7,000 for the years 1945, 1946 and 1947. Apparently the commissioners, or whoever were responsible, were able to convince the minister at that time that, owing to the increased cost of living and other conditions, they were entitled to an increase. I am not arguing about that. They received their increase. But at the same time I would point out that the poor veteran who had to bear the increased cost of living and everything else received no increase in his pension. Now the commissioners are going to be granted another $1,000, which will make a total increase of 33⅓ per cent over their

salary in 1944. How can the minister justify this further increase of $1,000 for the commissioners, and at the same time justify an increase of $12 a month to a veteran? Under the proposed new scale a totally disabled veteran will receive the huge sum of $1,044 a year; and I would remind you, Mr. Speaker, that when the pension board declares a veteran a one hundred per cent disability he has to be practically dead. Yet here we are going to give the commissioners another $1,000, which is only $44 a year less than the total amount we give a one hundred per cent disability pensioner. I think the house will be much interested in any explanation the minister can give justifying this increase, in view of the increase granted in 1945 and also in view of the miserly increase given the disabled veterans.

There are many matters which will come before the veterans affairs committee. I wish to mention only one, which was also mentioned by the minister today, when he referred to certain remarks made by the hon. member for Vancouver South (Mr. Green) as to the pre-enlistment condition. The minister questioned the figures the hon. member put on *Hansard* showing that some 85,000 young Canadians who were taken in as fit and discharged as unfit were unable to qualify for pensions. The minister thought that figure was wrong. That may be so, but I still say to the minister that there are far too many veterans who were discharged because of disability but who are not in receipt of pensions because the officials of the pension board have ruled that they were suffering from pre-enlistment disabilities which the medical officers were not able to find on enlistment. I would mention also the reaction of many applicants to the manner in which they were treated when applying for pensions. It seems to me every veteran is entitled to every consideration from the officials of the pension board. A veteran should not be shoved around and treated as a lead swinger. In far too many cases the veteran comes back from a pension board hearing embittered by his treatment, full of resentment over the technicalities that have been raised against him, angry because no notice has been taken of the reports or findings of his family doctor or the local medical representative of the board; and even where a pension is granted, in many cases the amount is a mere pittance and not a proper recompense as far as the disability is concerned. The people of Canada are most anxious that every veteran entitled to a pension should get one, and at a proper rate.

[Mr. White (Hastings-Peterborough).]

I was very glad to hear what the minister had to say on the same point because, as I mentioned a moment ago, the public are not satisfied with the small increase in the basic pension. In every case the veteran should have the benefit of the doubt, which he does not receive today. He should be treated with respect and dignity in deference to the great service he has rendered Canada. I repeat that we of this party approve the legion brief, which proposes a basic rate of $100 per month for one hundred per cent disability.

In conclusion, Mr. Speaker, I would especially appeal to all veteran members of this house, irrespective of their party allegiance, and remind them that they have a special duty to perform to their former comrades. Today they are in a position of responsibility and have it within their power to see that a further increase in the basic rate is granted the veterans. I would remind them that veterans do not recognize race, colour, creed or political party. All veterans belong to the same fraternity. Let us who have these responsibilities not fail our former comrades whom we were so glad to have at our side in the days when the going was very tough. And remember, we may need every veteran again in the not too far distant future.

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, this is a bill to amend the Pension Act; to authorize, among other things, an increase in the basic rate of pension; to make statutory certain increases in the salaries of the pension commissioners and other officials, and in one or two minor details to make changes which the minister has said will increase the efficiency and wipe out some of the deficiencies of the old act.

The emergency of the present situation demands that the veterans affairs committee get to work and that this house do something with respect to increasing pensions as rapidly as possible. We are trying to co-operate in getting this bill before the veterans committee in order that they may make their report to the house and the bill may become law, so that these people will have some relief. I believe everyone recognizes this emergency. I think the people of Canada generally have been critical of the government for its failure to act rapidly in this matter. The rapid increase in the cost of living, particularly in the last three years, has made it almost impossible for a veteran in receipt of a pension to carry on. But in our haste to get this legislation through I think the house and the committee must be careful to see that the amounts to be paid are adequate, to see that they will really do the

job and make it possible for those who are dependent upon war pensions to live properly and decently, as they should.

It is not surprising that demands like these should be made, when the government has allowed the cost of living to go up by removing their controls. I understand the present basic pension rate was struck about 1926, and I think we all realize that at that time the legislators of this country believed that basic rate would guarantee a certain standard of living. But as soon as you allow the cost of living to get completely out of line with that basic pension, in effect you are completely repudiating everything you assured these people they would get. As it stands today the pension is completely inadequate. I believe the conditions which exist among the families of many pensioners right across this dominion, because of the inadequacy of the pension, are a disgrace to Canada. It is a blot on our record that these conditions should be allowed to continue to exist until March, 1948.

The inadequacy of this pension I think has been pretty well proved by the previous speaker, and I think even by the statement of the minister when he set out the basis upon which the present rates were set. As has been said already, today $900 a year is practically nothing. The increase from $75 a month to $87 a month for a one hundred per cent disability pensioner just does not mean anything. It does not meet the requests of the veterans themselves; it does not meet the requests of the veterans organizations, and it certainly does not meet the situation which now exists. We are hoping that when the bill as it stands today goes before the veterans committee a fight will be put up to see that the pension is placed on a proper basis, one which will meet the situation as it is today.

The government has gone on record as believing in decontrol, and therefore it would appear that it does not want to control the cost of living. If it does not, then whatever basic pension it sets can be easily upset within a few months.

The other feature we advocate and shall continue to advocate is that the basic pension be set high enough. I agree with a previous speaker who said that $100 a month for a 100 per cent disability is about adequate in March 1948. The needs of the veteran will not be properly met if we leave it at that. Some machinery must be brought into action within the act under which those who are responsible for administration can guarantee to veterans who are suffering, disabled and helpless that they will be permitted to live decently and well, and to know that they have the form of security which the people of Canada would wish them to have.

It is necessary that there be geared to the pension some scheme by which a sliding scale would become operative, so that in the event of an increase in the cost of living the pension would automatically increase. There should be provision for either a cost of living bonus or a grant of some kind. It is our duty, and it is the special responsibility of the House of Commons, to see that those who have made sacrifices to save this country in time of war, and who as a result of their efforts are disabled, shall not suffer.

We must keep constantly in mind the needs of war veterans, discharged for medical reasons, a large percentage of whom are psychopathic cases. I believe that speaking generally the pension commission has ruled that such cases are not considered to be pensionable. Many of these veterans returned from the war suffering from nervous disorder. They have tried to carry on with their work, but have been unable to do so. On occasions they have to lay off for weeks or months at a time, but they are not permitted to receive a pension from the government. Special consideration must be given to these cases. There are altogether too many of them, and I hope that when the committee considers revision of the Pension Act, and a revision of the regulations under which the pension commission operates, it will see to it that more is done for these deserving cases.

It is not right that men who have returned from war in a disabled condition, and who are unable to carry on in their work, should be denied a pension when it is clear that their disability has resulted from or been aggravated by their war activities. Not only are veterans and veterans organizations asking for this revision, but boards of trade, village and city councils and other organizations are stirred by the plight of many pensioners living within their midst.

It seems to me the farther we get away from war the more likely we are to forget the men who fought. In the report given this afternoon by the minister I was surprised to learn that in 1947 there were 147 veterans of world war I whose pensions were decreased. Many pensioners of world war I who feel that their disability has increased and that they should make application for increased pensions fear that if an examination is held and they are at the mercy of the commission their pensions may be decreased. That condition should not exist.

The average age at the present time of a pensioner from world war I must be about 59 years. Surely pensioners who have suffered

disability from the first world war are more likely in later years to feel the effects of the disability they suffered in that campaign. Those men should not be deterred, by fear of the commission making a reduction in their pension, from making application for increases.

I believe the promise of the government is inherent in any basic pension scheme. Certain standards should be maintained. When the cost of living goes up, the promise of the people or the government is being repudiated and the pensioners are not able to maintain the standard of living to which they are entitled. If we look at it in that way we will see to it that these men are given a proper pension and some form of security which will assure to them that they, their children and their families will not have to suffer as a result of their war service. I know of no other way in which that security can be guaranteed to them.

There are many other points which could be discussed and with which a committee of the house could deal when this matter is placed before it. We would like to see the bill go to the committee as quickly as possible. Naturally the committee will consist of a majority of government members, and as a result it will be difficult for members in the opposition to introduce amendments which would involve the expenditure of public money. Under the rules this is not permitted.

I can assure the government and all connected with it that we expect when the committee deals with this legislation it will bring back to the house a bill which can be considered adequate. If the bill is adequate to meet the situation, the support of this group will continue: if it is not, there will be opposition.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, in order to expedite the passage of the bill at this time, I should like to be brief in my remarks. Ever since the announcement by the former minister of veterans affairs in July last to the effect that the committee on veterans affairs would be set up at this session, veterans have hoped that the long overdue amendment to the Pension Act would be brought down. I am afraid the present bill will fall far short of their expectations.

In the first place, the increase in the amount of pension is considered too low. Second, none of the recommendations made by the committee on veterans affairs in 1946, passed unanimously—and later vetoed by the minister—has been included in the bill. Third, a number of recommendations already made by the legion and the national council of veterans affairs have been ignored.

However, since it is desirable that the measure should pass as quickly as possible in order that the payment of these increases in pensions may be made, perhaps it is fortunate that very little of a controversial nature, in addition to the increase in pensions, appears in the bill. I should hope however that the Minister of Veterans Affairs is in a position to assure the house that this bill is not the last word in pension legislation for the present session.

All veteran organizations have urged that the increase in pension for all beneficiaries under the act should not be less than 25 per cent. The hon. member for Hastings-Peterborough (Mr. White) quoted from *The Legionary* and built up a strong case for an increase of 25 per cent. Other organizations have emphasized the fact that the increase should not be less than 33 per cent, and I have received a number of resolutions from boards of trade in my constituency urging that the basic rate for a 100 per cent disability pensioner be set at not less than $100 a month. The present bill provides for an increase of only 16 per cent and therefore falls considerably short of those recommendations.

The veterans organizations are asking at this time that the pensions of veterans of world war I be stabilized. I was glad to have the assurance of the minister that when the pension bill is before the committee a thorough investigation will be made of this whole question. I think all of us agree that it is a deplorable situation that veterans of world war I, whose average age is around 59 or 60 years, are called up before a board and told that, since their disability has decreased, there will be a reduction in their pension. Surely when a veteran of world war I has reached the age of 59 or 60 years he should be assured that no action will be taken to reduce the amount of his pension. The present rates should be stabilized as a floor and the only revisions in the future should be upward.

In 1946 the veterans affairs committee voted in favour of deleting the deadline of April 1, 1944, affecting widows, wives and children of veterans of the first great war, but the Minister of Veterans Affairs vetoed that action. It should be remembered that, after careful consideration, the committee unanimously agreed that the deadline should be struck out. I suggest to the minister that legislation should be brought down this year to take

care of that matter. I do not say that it should be included in this bill, because we want to get this one through as quickly as possible. The cost to the government would be insignificant, but on the other hand it would mean a great deal to many veterans and dependents who would benefit from the change.

It is also well to remember that in 1946 the committee voted in favour of inserting in the act a clause which would establish the presumption that an applicant's condition as recorded at the time of enlistment was in fact his true condition and that any subsequent deterioration be pensionable. While that received the unanimous approval of the committee, it was later vetoed by the minister. It has been argued by some that it would not make very much difference in the decisions of the pension commission. If that is true, and since various veteran organizations are keen to have such a provision in the act, I think the minister could very well see that the act is amended along that line. As I say, the members of the pension commission do not think it would make very much difference. It would give a certain assurance to war veterans if that were done.

War veterans allowances do not come under the pension administration but, since veterans who are unable to qualify for a pension have to seek help under the War Veterans Allowance Act, one might say that that act is the last resort. We feel that action should be taken this session to bring about a substantial increase in war veterans allowances and either remove the means test or permit additional income up to the amount of the income tax exemption.

I think the time has come when we should try to clarify the situation with regard to imperial veterans. Three days ago I had a case brought to my attention of a Canadian who went to the United Kingdom the latter part of 1913 because his father was seriously ill. He was living in England when war was declared and enlisted in the imperials. He was wounded and received a pension. After the war he returned to Canada and became domiciled in this country. His pension was stopped. Apparently he cannot get a pension from England, because they say he is now a Canadian citizen and that he was domiciled in Canada before the war and has been domiciled here since the war.

Apparently he cannot get any help under the War Veterans Allowance Act, because a veteran who served with the imperial forces must have served in the second world war to obtain a veteran's allowance. It is contended that this man was not domiciled in Canada at the time war was declared, having gone to England a few months before. They stop his pension in the United Kingdom because he was domiciled in Canada before the war, while in Canada they take the stand that he was not in Canada when war was declared. This man seems to fall between two sections. I bring this case to the attention of the pension authorities in the hope that the matter may be clarified. I hope that we shall be able to give the imperials a better deal than they have been given in the past.

I am not suggesting that blame rests with the Canadian government. I believe suggestions have been made by the Canadian government that they would be willing to give certain benefits to imperials if similar benefits were given to Canadians in England. That is, they are willing to act on a reciprocal basis. In the meantime, these imperials have to suffer. As I have said already, I want to expedite this bill and therefore I shall make what comments I want to make when the bill is in committee.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to say a word in connection with this bill in order that it may not be said that private members on this side of the house are not interested. I want to compliment the two previous speakers upon having approached this subject in a non-partisan manner. I passed up a most important meeting this afternoon in so far as I was concerned, in order to be here to express my opinion on this bill. I want to say to the house, through you, Mr. Speaker, that I consider it our duty to see that this bill gets to the committee immediately. However, I want to say that I do not think the bill goes far enough; it is not adequate.

In my opinion the best speech that has been made on this matter during this session was that made by a non-veteran, the hon. member for Comox-Alberni (Mr. Gibson). The hon. member said that if we in Canada could find the sinews of war and the sinews of peace; if we were able to pay the interest on bonds bought by those who stayed at home, surely it was no alibi to say that we could not afford to pay an adequate pension to those who fought and gave so much for their country.

The bill goes a long way but I do not believe it goes far enough. There is one thing about the bill to which I object strenuously. I am not here to criticize the salaries being paid to the commissioners because I believe the labourer is worthy of his hire, but I do not think this or any other government

is consistent when a bill is introduced to increase salaries by $1,000 a year when we are going to pay a totally disabled blind pensioner only approximately $1,000 a year. To me that does not make sense. In so far as my influence in the committee may go, and in so far as my ability may go I will do my utmost as a private member to see that we give an adequate reward, particularly to those who are disabled and to widows of veterans.

I do not think the present provisions go far enough. I do not think they go as far as the people of Canada want us to go. I do not think they go as far as our economic set-up permits us to go. In fairness to the minister, I think some criticism could be made of the previous speakers. One of them said the minister had vetoed a certain matter. We all know that a private member cannot introduce measures involving the expenditure of public money and that a cabinet minister has to persuade, first of all, the other members of the cabinet and then try to overcome that obnoxious little group called the treasury board. In anything that concerns the veteran I say that no one should be allowed to sit on the treasury board but a front-line soldier. not a desk soldier.

I shall say no more. I realize just how far a private member can go. But I, for one, coming from British Columbia, which has a higher percentage of enlistments than any other province—

Mr. PROBE: Are you sure of that?

Mr. CRUICKSHANK: I am sure of it, and a higher percentage of veterans living within our province.

Mr. PROBE: That is a different matter.

Mr. CRUICKSHANK: I do not want the people to think the private members of this house from British Columbia sitting on this side are satisfied with a $12 increase in the pension for a totally disabled veteran. I do not want the veterans of Canada to think we are satisfied with the present situation of the war veteran's allowance, with its means test. If the war veteran's allowance means anything, why apply a means test to a soldier who has reached the age and circumstances that entitle him to the allowance? That is something I cannot understand.

I believe that the veterans committee can do great work, and in closing I wish to pay a tribute to the hon. member for Kamloops (Mr. Fulton) who got up in his own branch of the legion in Kamloops and said not to blame the members from British Columbia who sit on this side of the house but that pension and allowance increases should be decided by the house on an absolutely non-party vote, with each member free to express his own opinion. Anything that pertains to party should be left out of such a question, which should be decided entirely on its merits.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I recognize that it is desirable to send this bill to the committee on veterans affairs as soon as possible and I shall therefore take but a moment to express my views.

Looking at such a bill, one thinks generally in terms of dollars and cents, whether we can afford to take chances in taxing the people in order to pay higher pensions and allowances. I say that may be the general way of viewing a measure of this kind, but that is not how I look at it. I view it on the basis of what I consider a very valuable principle, and the principle I have in mind is that any individual who, in time of war, volunteers in His Majesty's forces and offers his life for his country and is fortunate or unfortunate enough to serve in an actual theatre of war, should be guaranteed, upon his return to civil life, economic security for the rest of his life in return for offering his life for his country.

What I am going to say I say upon my own responsibility. But holding that principle, I say that a volunteer who serves in an actual theatre of war should be given, for the rest of his life, a pension which is at least equivalent to the average income of a Canadian citizen. That is perhaps a very wide view to take; perhaps it is extreme, and it is quite likely that someone will take out pencil and paper, do a little figuring, and then say, "Hansell, that is beyond all reason." But my answer is this: Is Canada able, through its productive machinery, to produce enough to distribute to every veteran the equivalent of the average income of Canadian citizens? That is how I analyse the question, and I believe that Canada can do just that.

I make this further suggestion, and I do it in all seriousness because I believe it is a vital one. I believe that any individual who volunteers in His Majesty's forces and serves in an actual theatre of war should, upon his return to civil life, be exempt from all taxation. That may be a new suggestion; I do not know whether it is or not. But it does seem to me a preposterous and a very selfish thing that these men, after facing shot and shell, should, upon their return, be taxed mainly perhaps for the purpose of paying for the war which they helped and fought to win. I make that suggestion, I say, in all seriousness. I say these returned men should be absolutely exempt from paying income tax and all other taxes, except perhaps in cases where they have

investments other than their homes. That is a suggestion which I hope the veterans committee will take into consideration, and with these words, Mr. Speaker, I take my seat.

I have some convictions on this matter. It is no light thing for a man to offer his life for his country. I had three members of my own family do so. I am not boasting at all, but it is no light thing, even for those who remain at home, to go through the strain and stress and worry of not knowing what will happen to these young men as they serve in an actual theatre of war. This country is vast enough and wealthy enough and has potential production enough to offer such men security for life, and in that case I go so far as to say that much of our veterans affairs department could be scrapped. There would be no questions asked. All you would have to do would be to look up the two conditions required: Did they volunteer their lives? Did they enter an actual theatre of war? You would not need a pension commission for that. You would simply need a good clerk to look up the record, and instructions would then go forth.

Mr. BLACKMORE: And you would not need any psychiatrist.

Mr. HANSELL: No psychiatrist, no means test, nothing of the kind.

An hon. MEMBER: No parliamentary assistant.

Mr. HANSELL: Perhaps you could do away with the parliamentary assistant and perhaps with parliamentary committees. I am not saying there would not be a great deal in connection with the administration of veterans affairs, because there would still be those who did not volunteer; there would still be those who did not see an actual theatre of war, and you would still have to conduct the veterans affairs department. But as regards those who volunteered and faced death, to them belongs a life of comfort from now on.

Mr. H. W. HERRIDGE (Kootenay West): Mr. Speaker, I did not intend to speak in this debate, but I must rise and express opposition to the unsound proposals made by the hon. member for Macleod (Mr. Hansell). I am quite sure that the men who served the country did not serve in a mercenary spirit and do not want to be treated for the rest of their lives as mercenary troops. I believe that the men, and the veterans organizations that represent them, want to see that those who were injured receive adequate compensation. They want to make certain that those who returned from the war shall have an opportunity to earn a decent living and obtain their security in that way. I also believe that they want the dependents of the veterans to be well cared for. Because of that, I support the remarks made by the various speakers this afternoon in relation to this bill. I will not repeat what many speakers have said. I think that is unnecessary. I believe, however, as the hon. member for Fraser Valley (Mr. Cruickshank) has pointed out, that this bill does not go far enough, and I trust that when it goes before the veterans affairs committee we shall be able to secure some further amendments to this bill.

Mr. SPEAKER: If the minister speaks now he will close the debate.

Mr. GREGG: I am quite sure, Mr. Speaker, that the house would prefer that the various points raised by hon. gentlemen this afternoon should be studied carefully in detail when they are brought before the veterans affairs committee, but there are one or two points, as brought out by several hon. members, to which I should like to refer. One hon. member stated that veterans with 100 per cent disability were helpless, and another said that a 100 per cent pensioner is practically dead. I should like to correct that at once.

I happen to have an outline which bears on that; and of the high disability cases, including the 100 per cent, registered with the department, there are actually employed 54 per cent. I am not saying that is full-time, year-round employment, but they are employed at some times during the year. There are 34 per cent on treatment or under training for employment, five per cent unemployed, and seven per cent not accounted for.

I wanted to refute immediately the impression given that the high disability pensioner was a helpless case. It is not so.

Several hon. members spoke with regard to the incorporation in this bill of an increase for the chairman and members of the pension commission. The only comment I wish to make is that, before I entered this chamber, for the past two or three years, as hon. members know, there has been going on in all government departments, in co-operation with the civil service commission, under a special committee, an investigation into salaries from top to bottom, and that recommendations in this regard were not confined to my department but have been general. This was part of the whole and was partly put into effect, I believe, a year ago.

The hon. member for Hastings-Peterborough (Mr. White), if I understood him correctly,

made the statement that many pensioners' widows did not have a pension. All widows are pensionable when the death of the husband is attributable to his pensionable disability.

I think, Mr. Speaker, I should like to leave the case there for the present and carry it forward to the veterans affairs committee.

Mr. GREEN: May I ask the minister a question? In his earlier remarks he questioned the figures I gave on Monday with regard to men who have been ruled out in their applications for pension on the ground that they had pre-enlistment disability. I could not hear distinctly what he said, but I believe it was to the effect that not all these men had been discharged from the forces on medical grounds. I should like to know whether that was the statement. If it was, could the minister tell us how many of these men were discharged because they were medically unfit? In that connection, I would point out to him that in each one of these cases—

Mr. SPEAKER: Order. The minister has closed the debate.

Mr. GREEN: But I must clarify the question, Mr. Speaker. In each one of these cases there is admittedly a disability, and it is not a post-war disability, but the disability which the commission says existed is based on a pre-enlistment condition.

Mr. GREGG: In my earlier remarks I did not question the quotation of the figures but rather the implication in the hon. member's statement on Monday, that all these veterans came out because they were unfit, whereas the great number of them came out under general demobilization. I will undertake to get a breakdown of those figures.

Mr. GREEN: But it is a fact, is it not, that the rulings against these veterans in each case were based on the fact that they were suffering from a pre-enlistment condition?

Mr. GREGG: I think I may be right in saying no, but I will check that.

Mr. GREEN: The minister will find he is absolutely wrong if he checks up the statement.

Mr. SPEAKER: Order. We are not in committee. Is it the pleasure of the house to adopt the motion?

Motion agreed to, bill read the second time and referred to the special committee on veterans affairs.

[Mr. Gregg.]

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed, from Friday, February 27, consideration of the motion of Mr. Howe:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, to authorize the board to provide pensions for members, officers and employees and to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

And the amendment thereto of Mr. Ross (Souris).

Mr. SPEAKER: There is before the house an amendment moved by the hon. member for Souris (Mr. Ross), on which I desire to give a ruling. The amendment deals exclusively with procedure; it does not challenge the crown's recommendation for amending the Canadian Wheat Board Act. It is, however, lacking in a very important requirement. It proposes in the first paragraph to strike out certain words, but it does not say that these words are part of the resolution. Moreover, paragraph 6 of the amendment reads as follows:

That the words "Canadian Wheat" be substituted immediately before the word "board" in the third line of the resolution.

The word "substituted" is not the legal expression here, because a substitution cannot take place unless a certain thing is put in the place of another. On these two grounds alone, the amendment could be ruled out, but I shall not do so since I think the house is able to understand what the hon. member really had in mind. The amendment should not be turned down on mere technicalities. It purports to suggest that the governor general's recommendation, if accepted, be embodied in three bills instead of one.

The division of a bill into two or more bills may be permitted under our procedure, as may be seen in Bourinot, page 298 and May, page 530. It seems, however, that there are serious objections to doing this by amending a money resolution on the motion that the Speaker leave the chair for committee of the whole on the resolution. The house decided on February 16 to resolve itself into committee of the whole at a future date to consider the resolution which it is now proposed to amend. This decision precludes amendments to the resolution at the stage it is now in, because it must be considered by committee of the whole in the very words in

which the house orders it to be sent there. An amendment of such a wide import as the division of the proposed bill into three bills should not be moved with the Speaker in the chair after the house has already ordered consideration by the committee of a resolution recommending only one bill. The main object of the resolution is to approve the expenditure involved in amendment to the Canadian Wheat Board Act. On that, a general debate may take place, and if the resolution is carried, it will be time to consider under proper procedure whether the expenditure should be embodied in three bills.

There are many precedents to justify this opinion. Beauchesne, third edition, reports at page 551 that Mr. Speaker Glen decided on February 19, 1941, that: "On the motion that the Speaker leave the chair for the house to resolve itself into committee to consider a money resolution, it is out of order to move an amendment to the resolution." He gave a similar ruling on February 23, 1942.

I have come to the conclusion that the amendment is out of order.

Mr. ROSS (Souris): I maintain, Mr. Speaker, that our proposed amendment is a practical matter of modern common sense. I understand that your ruling is not debatable. If that is the case, I must respectfully appeal from it.

Mr. SPEAKER put the question as follows:

The question before the house is an appeal from the Speaker's ruling. We had before the house a resolution proposing to amend the Canadian Wheat Board Act. The hon. member for Souris (Mr. Ross) moved an amendment, which I declared out of order. I based my ruling on a ruling given by Mr. Speaker Glen on February 19, 1941, which may be found at page 551 of Beauchesne, third edition, and a similar ruling on February 23, 1942, that on the motion that the Speaker leave the chair for the house to resolve itself into committee to consider a money resolution it is out of order to move an amendment to the resolution. From my ruling the hon. member appeals.

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

YEAS

Messrs:

Archibald
Argue
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand ((Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bourget
Bowerman
Bradette
Brown
Bryce
Burton
Campbell
Castleden
Chevrier
Claxton
Cleaver
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Cruickshank
Dechene
Denis
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Emmerson
Eudes
Farquhar
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Harris (Grey-Bruce)
Healy
Herridge
Howe
Hsley
Irvine
Isnor
Jaenicke
Jutras
King, Mackenzie
Knight
Knowles
LaCroix
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Lesage
Little
McCann
McCuaig
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McDonald (Parry Sound)
McIlraith
MacInnis
McIvor
McKay
MacKinnon
MacLean
MacNaught
Maloney
Marier
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Michaud
Mitchell
Moore
Mullins
Mutch
Nicholson
Nixon
Parent
Pinard
Power
Probe
Raymond (Wright)
Reid
Richard (Gloucester)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Sinclair
Sinnott
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Whitman
Winkler
Winters
Wright
Zaplitny—131.

NAYS

Messrs:

Adamson	Jaques
Ashby	Johnston
Aylesworth	Kuhl
Barrett	Lennard
Black (Cumberland)	Lockhart
Blackmore	Low
Blair	Macdonnell (Muskoka-Ontario)
Boucher	McGregor
Bracken	McLure
Bradshaw	McMaster
Cardiff	MacNicol
Case	Manross
Casselman	Marshall
Charlton	Menary
Church	Merritt
Cockeram	Murphy
Coyle	Pearkes
Daniel	Quelch
Diefenbaker	Ross (St. Paul's)
Drope	Ross (Souris)
Fair	Rowe
Ferguson	Shaw
Fleming	Skey
Fulton	Smith (Calgary West)
Graydon	Stokes
Green	Timmins
Hackett	Tustin
Hansell	Webb
Harkness	White (Hastings-Peterborough)
Hazen	Wylie—63.
Henderson	
Hlynka	
Jackman	

Mr. JEAN: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted I would have voted to sustain Your Honour's ruling.

(Translation):

Mr. BONNIER: Mr. Speaker, I was paired with the hon. member for Bruce (Mr. Robinson). Had I voted, I would have voted to sustain your ruling.

(Text):

Mr. RENE N. JUTRAS (Provencher): Mr. Speaker, I am mindful of the fact that the resolution now on the order paper has been there for quite a few days. Therefore I shall do my utmost to stay within the terms of the resolution and not deal with anything which is not strictly relevant to the matter. I must, however, express my regret that it had to be a rural member from my own province who in his effort to test the strength of the government, further delayed the resolution. I shall do my best in my most humble way to make up for any time lost by not referring in any way to the amendment which, until this time, has been before the house.

May I refer particularly to the first part of the resolution which contains these words:

> . . . to make provision for the increase of the fixed minimum price on wheat deliveries.

[Mr. Speaker.]

With respect to that part of the resolution, may I quote what was said by the Minister of Trade and Commerce (Mr. Howe), as reported at page 1677 of *Hansard,* where he sets the matter out clearly and concisely. These were his words:

> It is the wish of the government that, if prices continue strong, the advantage shall not be withheld from the producer, and that steps shall be taken to pass on the benefits as quickly as the circumstances may warrant.

And again, elaborating on this point, the Minister of Agriculture (Mr. Gardiner) said, as reported at page 1719:

> We should be in a position, Mr. Speaker, not only once a year but at any time throughout the year, if the operations up to date have given them sufficient cash with which to make payments to the farmers—whether it is in the summer, in the winter or any other time—to determine that they are in a position to make those payments.

I think the principle of not mentioning the exact amount in the bill is a good one, and for many reasons. For one thing, it will eliminate a good deal of misunderstanding in the house. Every time a vote is asked on such a measure many members who are not fully familiar with the resolution, or the bill, are under the impression that they are actually voting money for western farmers, whereas, as a matter of fact, they are not voting any public money to anybody.

That is exactly the position now; and I think it should be made clear to all members that when they vote this amount they are not voting public money. I am referring to the initial price. From remarks made to me from time to time, I know this is a misconception common to many members. One cannot blame them, because they are told they have to vote for a certain amount of money to be paid to the western farmers when, in actual fact, they are only giving power to the Canadian wheat board to pay out another few cents, or some specific sum of money, which belongs to the farmers. For that reason, if for no other, this measure must commend itself.

Furthermore, the procedure of always coming back to the House of Commons causes endless delays in placing the money in the hands of the farmers. The principle involved is much the same as that in connection with the payment of dividends by a crown company. Naturally the commission or the administrators are the ones who know whether the financial position of the board or commission is such as to enable it to pay out any amount. What actually happens is that a payment is recommended. It is only right that if money

is to go to the farmers the board should have authority to pay it out, as the minister said, whether the house is in session or not, whether it be in the summer, the spring or any other season.

So this is a much more expeditious method of dealing with the matter, and one which is more practical. One must add that in the past, under the board which sat in 1935, and until 1943, it did happen that during certain years the initial price represented an amount of public money. In those circumstances there might be some justification for the view I have described. At the present time, however, no public money whatsoever is involved in these payments, and I think the giving of these powers is a practical method of doing things. May I commend the minister for having taken that step.

Without making further comment, may I refer to the third part of the measure which empowers the governor in council to extend the present system to oats and barley. Here I should like to quote the remarks of the Minister of Trade and Commerce who, I think, sets out the matter concisely. He said:

> The government is prepared to take whatever steps lie within its power to assist in establishing marketing arrangements that will help to maintain economic and stable prices for Canadian agricultural products. The government must, however, be satisfied that any given scheme for this purpose is a practical one, a constitutional one, a workable one, and one that will command the support of the interested groups concerned.

I think that statement sets out clearly the intention of the government and in a concise way it answers most of the criticisms. Most of the criticism can be divided into two main parts. First, it is charged that this measure is just a political manoeuvre and that the government has no intention of enforcing or promulgating it. The other criticism is that the powers granted by this bill are so compelling that the government is thereby imposing its views upon the farmer, whether he wants it or not.

As I say, I think the minister answered the first part of this criticism when he said that the government was prepared to take whatever steps lay within its power to assist in establishing marketing arrangements that would help to maintain economic and stable prices. In connection with the other point, I think it is important to trace the history of this demand throughout western Canada.

This is not a demand which started yesterday or the day before; it is a demand which has been evident for the last thirty-five years. As a matter of fact, all governments, Liberal and Conservative, have at one time or another had some kind of a board. We have had monopoly boards; we have had voluntary boards, and there have been periods when there were no boards at all. There is evidence throughout our history of a constant pressure by farmer organizations on provincial and federal governments to have some kind of marketing arrangement which would help to stabilize prices and conditions in Canada.

This is most important when we consider the charge that the government is trying to force something on the farmer. I think history shows clearly that the government has simply been acceding to growing demand. In 1917 we had a monopoly board. That was known as the board of grain supervisors, but in effect it was a wheat board with monopoly powers. Two years later, in 1919, we had another monopoly board. I think that board was really the origin of the Canadian wheat board. Those two boards were set up for entirely different purposes.

The next year, in 1920, there was no board. This parliament passed an act for the continuation of the 1919 board but it did not come into force. Immediately after the opening of the grain exchange in 1920, prices started to fall, and in this connection I should like to quote from the marketing service of the Department of Agriculture. The average price for 1919-20, the last year of the period when there was no open market, was $2.59. The next year it dropped to $1.99. In 1921 it dropped to $1.34; in 1922, to $1.10, and in 1923, to $1.04.

As prices fell, there was an increasing demand for the re-establishment of a marketing board for western wheat. In 1922 this parliament again passed legislation, but that legislation required that at least two of the three western provinces should put through concurrent legislation. As we know, Alberta and Saskatchewan did pass enabling legislation, but Manitoba did not. It is interesting to note that a resolution was moved in 1922 in the Manitoba legislative assembly, and I quote from the journals of that assembly for that year as follows:

> Whereas, there is general dissatisfaction with the present system of marketing grain;
>
> And whereas, the deplorable condition of the agricultural industry in this province is such that it demands the attention of the federal government to the need of national marketing of wheat and other grains;
>
> Therefore, be it resolved, that this legislature urge upon the dominion government the necessity of re-establishing the Canadian wheat board under the former management, with wide powers to sell wheat and other grains.

Even then the demand was for a board to handle wheat and other grains.

Mr. SMITH (Calgary West): The hon. member stopped about 1923 in giving the prices. Has he the prices for 1925, 1926, 1927, 1928 and 1929? Did the price not go up from then on?

Mr. JUTRAS: Yes, but I was referring only to the period when prices fell because, as prices fell, the demand for a board grew from year to year. I was not quoting comparative figures; I merely wanted to show that during the four years immediately after the re-opening of the exchange prices fell rapidly and that during that time there was heavy pressure from farmers throughout western Canada for the re-establishment of a board.

I had referred to what happened in 1922. In 1923 the three provinces and the federal government found that there was no competent man available to manage the board and the whole matter was dropped for a while. As hon. members know, from then on we had voluntary co-operative marketing measures, but in 1929 the government was again brought into the wheat business because the three western provinces had to give financial assistance to the pool. In 1930 we had the first instance of the government trying to stabilize the market. I am sure that all members are familiar with the pool selling agency under the management of Mr. John I. McFarland. Without going into the success of that movement, I point out that this is where the government initiated more or less the movement to stabilize marketing, and it was done under very heavy pressure from western Canada.

In 1935, after a change of government, a government bill was introduced creating, in effect, a monopoly board. The bill was referred to the agriculture committee, and the clause in the bill giving the board a monopoly of all grain handling was changed from a monopoly or compulsory board to a voluntary board. Here then starts the dual system of a board handling the wheat, along with sales on the open market. It is interesting to note that the minimum price set by the board was 87½ cents a bushel Fort William, while the average market price on the exchange—I am referring to the cash closing price of the day, as given by the publication from which I have just quoted—was 84 cents, or a difference of 3½ cents in favour of the board.

Mr. SMITH (Calgary West): Is that a weighted average, having regard to deliveries per month or just a flat average?

Mr. JUTRAS: It is the flat average cash quotation.

In 1936-37 we started the year with a board, but shortly after the beginning of the crop year the board, in effect, went out of existence because, while its price was 87½ cents only if the market fell below 90 cents, the market, shortly after the crop year opening, went over 90 cents and the board marketed no wheat at all.

I draw the attention of the Minister of Agriculture and the Minister of Trade and Commerce to an interesting little incident that occurred in 1936-37. The board's price of 87½ cents was effective only if the market fell below 90 cents. The decision of the government was announced on August 28; but early in the crop year, in some cases by August 1, some farmers had already sold their wheat to the wheat board. Actually they had sold 617,655 bushels to the board. So that the board and the government gave them the choice of buying the wheat back or accepting the difference in price. Most of the farmers naturally bought their wheat back from the board and sold it on the open market, and in that way the treasury lost $49,574.88. The only reason I mention that is that it is a nice precedent for the government to follow in connection with what happened last October. I agree that there was some difficulty in the government announcing its decision very far in advance. However, it was announced in October and, as a result, many farmers lost large sums of money. I fully realize that some of the companies are endeavouring to pay back a certain amount of what the farmers lost in that way, but if the minister were to ask the treasury to assume a substantial loss this time I am quite satisfied that such a late announcement would not occur again in the future, but the announcement would always come by August 1. In my district particularly, our crop year is early, one of the earliest in Manitoba. We always harvest very early in August, and sometimes in late July, so that any government policy needs to be announced not later than August 1 to meet our requirements. I hope the government will do something about making good the loss that was taken by a great many farmers in my district last fall.

I now come to 1937-38, when we had the smallest crop in history, so that there was no marketing difficulty at all and no board required to take care of the crop.

In 1938-39 there were political uncertainties in Europe and we had a world-wide surplus, so that in that year the board took all the wheat. The board's initial price being 80 cents, and the average market price being only 62 cents, all the farmers sold to the board, getting thereby 18 cents more a bushel.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JUTRAS: Mr. Speaker, just before six o'clock I was attempting to prove two points. The first was that this demand for a marketing agency such as the wheat board, to market wheat more particularly and also coarse grains, was a demand which had grown constantly and persistently over the last thirty-five years. A further point was that this demand is not the result of prejudice but rather the result of more generous financial returns through the board than through any other agency throughout that period of time.

At six o'clock I had reached, in the analysis of the various years, the years 1939 and 1940; and I showed that the board, before the crop year 1939-1940, was able to pay out six cents more than the average market price. In 1940-1941 the board again marketed most of the wheat, although it was on a voluntary basis, and was able to pay two cents more than the average price. Again in the crop year 1941-1942 the board marketed 44 per cent of the crop of wheat and the trade 56 per cent of that crop. For that year the board paid a minimum price of 85 cents, while the average market price was 76 cents, and therefore the average price was nine cents over the average market price. In 1942-1943 the board marketed 68 per cent and paid out $1.02 a bushel, with a participation certificate, as against an average price on the market of 94 cents, which means that the board was able to pay eight cents more than the average price on the market.

In that, I believe, lies more or less the reason for this demand in favour of the board. I think it can be said that at the present time there is probably 100 per cent of agreement among farmers for a wheat board, not necessarily a monopoly board, but for a board to handle wheat. I have not seen any resolution contrary to that.

We come now to the year 1943-1944. During that year we returned to a monopoly board. However, I wish to point out that a drastic and fundamental change took place in the wheat board in 1943. On September 27, 1943, the government itself assumed the primary responsibility in connection with wheat and the price and condition of sale. These three became directly subject to government policy. Furthermore, during the war, the wheat board acted more or less as agent of the wartime prices and trade board. In other words, it carried out many functions for the wartime prices and trade board. I would say here that the sooner the board is relieved of these duties and removed entirely from them, the better.

So that actually this demand, if it is not the demand of an over-all majority, is neither the demand of just a few. This demand is not merely the result of prejudice but the result of better returns which the board was able to show. However, there have been many changes in the board since the first board that was set up in 1917. Therefore it is important, I believe, that the extension of the powers of the wheat board today to include coarse grains, oats and barley, should be viewed in the light of the wheat board as it is at the present time. I do not think we can say that we have yet received a conclusive expression of opinion from the various groups in western Canada on the inclusion of coarse grains in the wheat board as it exists today.

I have noticed, from resolutions, letters and telegrams, that a great many think of the wheat board as it was in 1935, and a great many think of the wheat board as the agent of a price-setting agency. There are others who think of the wheat board as it is today, and that is indicated in a great many resolutions. Therefore I do not think that at the present time we really have any definite or conclusive expression of opinion on this subject.

For myself, I wish to make it quite clear that I consider it most important that, whatever is done, the wheat board, which has always been known as and, in fact, always has been the marketing agent of the western farmer for his wheat, should retain that characteristic, no matter what happens. For that reason I think the best thing to do at the present time would be to give an opportunity to all groups, co-operatives, pools, farmers' organizations and the trade, to discuss this question in the light of present circumstances. I think it would be the logical thing to refer the whole matter to a committee here, so that all these people would have an opportunity to express their views on the subject. The reason, as I have said, is that the board has gone through many transformations over the last thirty years.

I do not propose to add very much to that, except to say that I think the government is wise in submitting the bill now and proceeding in the way it is doing. I am sure that everyone will have to agree that, no matter how we look at it, it is the most democratic way in which the subject can possibly be dealt with under present circumstances.

Mr. A. L. SMITH (Calgary West): Mr Speaker, I made a note of the second last thing which the hon. member for Provencher (Mr. Jutras) said, and that was taking averages and showing the difference in the price

paid by the board, I mean to the advantage of the board, and the average market price paid by private concerns. I am glad he said that, because all that we on this side have ever said is that we believe in a wheat board, but we believe in an alternative system of marketing. If the wheat board can pay more money than the other concerns can pay, then the wheat board will get the business and justify its existence. So that the hon. member, in having given the figures he has in favour of the wheat board—which I favour and which we all favour—is in this position. If the grain trade cannot pay as much, they will not get any grain. But let us have both and give the farmer an opportunity of choice.

I hope, Mr. Speaker, that neither you nor any other hon. member will think I am setting myself up as an expert in the marketing of grain. Frankly, I do not think such people exist. The changes which have taken place in circumstances throughout the world and throughout this country in the last number of years have made all persons who make prophecies look rather foolish. In short, the position is this. We are living in a world where things are now changing infinitely more quickly than they did in times gone by. Therefore the value of precedents has been narrowed or cut down in view of these fast-changing conditions. Tonight I intend, with the information which I have, to discuss all methods of the marketing of western grains; that is, of wheat and coarse grains. I will say nothing about flax or rye unless my C.C.F. friends to my left want to know something more about rye. They changed that the last time I was on this subject, but I have no intention of dealing with it unless they, in the exuberance of their verbosity and, may I say it kindly, of their ignorance of the private marketing of grain, suggest it. I have no intention of touching upon rye.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member and I hope he will forgive me for doing so at this moment. But the hon. member realizes that we have before the house actually a resolution to go into committee of the whole which precedes a bill. In other words, the hon. member knows that whenever we have a money bill it must be preceded by a resolution. At this stage the discussion should be on the principle of the resolution. I wanted to intervene at this moment because, if I permitted the hon. member to discuss the opportunity to have a wheat board, the function of a wheat board, the marketing of grain and so on, I would be obliged to permit all other hon. members to do so if they wished, and we would probably have a repetition of debate on the second reading of the bill. So I would ask for the co-operation of all hon. members on both sides of the house in abiding by the rules, so that we may proceed with the business of the house. At this stage we should discuss only the principle of the resolution which is before the house. When the bill is introduced, hon. members knowing what is in the bill and knowing that on second reading they can also discuss the merits of the bill, it will be possible for a more general discussion to take place. But I do not think at this stage I should permit a long discussion on the opportunity of having a wheat board, prices of grain and so on. I should like to have the co-operation of hon. members in order that we may proceed with the business of the house.

Mr. SMITH (Calgary West): Turning to the resolution itself, Mr. Speaker, at the bottom of page 6 of the order paper I find the following:

> Resolved that it is expedient to present a bill to amend the Canadian Wheat Board Act.

I intend to talk about nothing except the act and the amendment brought down in this resolution which seeks to amend the act. That being so, with the greatest respect and deference, sir, may I say I shall not depart from that and speak of anything except the amendment of the act. If perchance I, in my enthusiasm, do depart from it I hope that you will immediately interrupt me.

I repeat that I do not set myself up as an expert in the marketing of grain, but it is a subject upon which I have necessarily gained some information. I was born into the problem. My mother's parents occupied a homestead in pre-emption in the district of Foxleigh some twelve or fourteen miles north of Regina. We had no problems then about drought. Our only worry was early frost. Thanks to the research of a number of people, we have been provided with kinds of wheat which mature earlier, and the frost problem has not been a real one for a long time in western Canada. From that farm wheat was produced. It was No. 1 hard in those days. Nos. 1, 2, 3, and 4 northern had not, I think, yet been found at that time. I am not suggesting for a moment that we should revert to those days; but it is a fact that my grandparents on my mother's side from that half-section and with fifty-cent wheat, which was teamed twelve or fourteen miles to an elevator, were able to retire in Regina, build a little cottage and live there until they passed on.

Following on with the history—I hope the house will remember, because I am anxious

that they should see this position—may I say that at that time line elevators, so-called, were not the prevalent places to which people went to sell. In the towns there at that time there was a country elevator; there was one which was owned perhaps by a grist mill and one perhaps owned by somebody else, to provide some opposition in the purchase of wheat.

Then we went to another stage, and I say this, because I think one should present both sides of a problem. I make this statement which will completely satisfy my hon. friends to the left, the C.C.F., because they know my attitude with respect to private enterprise, individual enterprise, or whatever you care to call it. We then had an agitation among the farmers—that was in the twenties—that they should join together and do something. That was done. Why was it done? I say this to the grain trade. It was done because of unfair practices carried on by the line elevator companies, particularly in connection with what we called street prices. Street prices were the cash prices paid for wagon loads or anything less than a carload, as grain was delivered to those elevators.

I could mention another instance where there was an agitation which brought results in connection with farming. That was not so much in reference to prices, but in regard to the conditions under which farmers purchased their implements. I have been practising law since 1908. I remember one of the jobs I had with a very large law firm; I was ashamed of myself then and I am still ashamed. The contracts under which farm implements were sold at that time contained some very fine print, which at my present age I could not read even with the aid of the largest magnifying glass in the world; and I was engaged in taking back implements from farmers who did not pay, who were perhaps unable to pay, implements which, in the early days of the introduction of tractors, perhaps were not worth paying for anyway. So another agitation arose. The result was that in Saskatchewan you had and still have what they call a statutory contract, while in Alberta it resulted in the passing of the farm machinery act to remedy the evil.

The point I make is that in those days movements like those grew. In any big movement in Canada, be it in agriculture, labour or anywhere else, if we probe to the bottom, no matter what names we may call individuals we shall usually find a sound reason behind it. Again I credit my C.C.F. friends that, on the economic side of the picture, their movement was born in grief, trouble and distress; and it was born in the city in which I live. But there is a great deal of difference between that time and the present. Then information passed from neighbour to neighbour in chats over backyard fences, or at casual meetings in towns where purchases were made. Then we had a pretty fair idea; in fact we were sure and even yet we can be sure, that the grievances were real. However, we all know that a grievance, sound though it may be, may reach a stature and complexity which causes it to lose its first purpose. In western Canada today we have three wheat pools which have plenty of radio time, which publish newspapers, and so on; so that I do not take statements made by officers of those organizations on the same basis as the movements which began years ago.

It may interest you, Mr. Speaker, as it certainly has interested me, to notice the parallel that exists between two movements which have grown up in this country. I refer to organization among the farmers and organization in labour. I am not critical of this; I think it is inevitable, but here is what we have now. In both farm and labour organizations we have had such a growth that at the top they are operated by professional advocates. I say I do not criticize that. I think it was perhaps inevitable, but I do say that if you go to the Canadian Federation of Agriculture with a problem you will get an answer back the next day. You can do the same with the C.I.O. or the A.F. of L.; but I for one do not accept these quick decisions as being the judgment of those whom these people head up and represent in these central organizations. So I say that with respect to barley and oats—and I am coming back to it, and this is all I am going to say now—there is no majority demand in western Canada for the passing of this legislation.

Mr. BURTON: Oh, oh.

Mr. SMITH (Calgary West): I hear some groaning. I will give you a bit more.

Mr. BURTON: You are wrong.

Mr. SMITH (Calgary West): I make that statement, and I shall prove it before I finish.

Mr. BURTON: Perhaps to your satisfaction, but not to mine.

Mr. SMITH (Calgary West): Probably I could not prove anything to your satisfaction; you know I have my weaknesses as well as anyone else. Opinions in the west are not unanimous with respect to this matter. The Alberta pool at least are realistic about it; although they gave it formal endorsement, they are certainly well divided. Recently at

Brockville the Canadian federation was also divided. There they debated a resolution requesting that the statement be inserted in this bill that it was designed solely in the interests of the grower of coarse grains. The meeting was divided, and the matter was hushed up. However, I shall leave that for the moment, but as I assured my hon. friend a moment ago I shall come back to it later.

I now return to wheat. I admitted frankly the grievance against the line elevator companies, the just claim and real grievance. Then what happened? Obviously there was an endeavour on the part of the farmers collectively to look after themselves. That is just history in its good common sense. Then we had the wheat pools formed. I have read and heard much as to who were the fathers of the wheat pool. Well, maternity is easily proved, but to prove paternity is still one of the most difficult problems in human endeavour. But I say I know the father of the wheat pools. He was a little chap from Chicago by the name of Aaron Shapiro. I was fortunate enough to be in Regina and attend his first meeting, and I heard him again in Calgary.

Mr. WRIGHT: Who invited him there?

Mr. SMITH (Calgary West): I can tell you that, too. He invited himself and you fell for it. You paid him, too, I am sure, because he has never done anything yet without being paid for it. After he got through with you, he went back to Dearborn and sued Henry Ford for libel damages in the largest amount ever heard of, and got the biggest settlement ever heard of for a libel action. Then he got into a little bit of trouble with the authorities in Chicago and sort of got the worst of the deal, perhaps for the first time in his life.

Well, then we had the pools. What is their history? I am not saying one thing against them; but it is history that in 1929, when they refused to use the existing facilities in Winnipeg for handling grain, they went broke. They were bankrupt. So they got the governments of the three prairie provinces, Manitoba, Saskatchewan and Alberta, to guarantee their indebtedness. May I quickly add that this indebtedness is either fully discharged or in the course of being discharged.

Mr. CASTLEDEN: Their indebtedness was due to overpayment to the farmers.

Mr. SMITH (Calgary West): Their indebtedness, as my hon. friend says, was due to overpayment to the farmers; in other words, I gather he means due to the stupidity of the management.

That was the history up to that time. After that we had a wheat board, a voluntary board which, of course, I favour, always have and I trust always will. Here is something where I think my hon. friends will agree with me. The wheat board was constituted as an agency to help the man who grew the grain to get a price for his product. But what has happened in this country is this, that certainly since 1943, by action taken by this government, the wheat board has functioned not for that grower, but as a price fixing agency to hold down the price. I make that statement without fear of contradiction from anyone.

I now turn to some statements made by the Minister of Agriculture (Mr. Gardiner) when he spoke about this matter before the Christmas adjournment. He quoted what had been said by the hon. member for Provencher and, I think, was endeavouring to show that the Canadian farmer over a certain period of years had done better than the United States farmer in a similar position; or at least that he had done as well, or nearly as well. I do not know the minister's exact words, but I shall put it in that way.

Mr. GARDINER: Within not more than thirty-seven cents in 1946.

Mr. SMITH (Calgary West): I was going to put it lower than that; but thank you so much for the admission. I can quite see that the minister is in a much more receptive mood than when last year he was sitting over there and I endeavoured to get him on my bandwagon—and he nearly came. But tonight he is pushing up the sawdust trail; he does not even need an invitation.

What they have done is this. Anyone who knows anything about the wheat business knows that in making comparison between wheat in Canada and wheat in the United States we must not overlook the fact that 80 per cent of the United States crop is soft wheat, and only 20 per cent is wheat comparable with that grown in this country; and that portion comes from the northwestern states.

The point I make is that it is incorrect—that is the word I shall use—to make comparisons with respect to individuals, from a total return, when the product is so entirely different. The only way one can make that comparison is to take a place on the international boundary line. The sections or quarter-sections on this side run from the 45th parallel, which is the boundary line. Here,

on this side, we have a Canadian farmer, while on the other side we have a United States farmer with just the line between the two farms. They draw to a town of the same name, the one on the Canadian side being called North Portal, while that on the United States side is called Portal. These farmers draw their grain to elevators which are not more than 300 yards apart. The price the Canadian farmer receives is the only factor which is comparable with the price the other fellow gets, because they are growing exactly the same product. The difference in price received by those two farmers has been as high as $1.67 a bushel. So that when we are speaking of these things—

Mr. GARDINER: It has not been as much as $1.67, difference in price, at any time.

Mr. SMITH (Calgary West): On January 20 that was the figure.

Mr. GARDINER: The hon. member is comparing the advance with the price, and the advance at North Portal plus the deferred payments has never shown that much difference with the price at Portal.

Mr. SMITH (Calgary West): I do not pretend to argue for one moment, because in my judgment the minister is the greater authority. Well, how would you like to add twenty cents, and then admit I am right? Would that be all right? Make it $1.47 or $1.30—I don't care—a very substantial amount of money. That is what I have in mind.

We have to bear this in mind when we are talking about these prices. In the northwestern states wheat is bought on a protein basis. This I know of my own knowledge, from a tour I took through the state of Washington. In the United States all the wheat goes to a chemist, who makes an examination of the protein content. On this side, on the other hand it is sold by grade. If I remember correctly—and I hope to be corrected by the minister, if I am wrong—No. 1 northern is a wheat where one out of every five kernels is red, hard and vitreous. It does not say anything about protein content. But it so happens that the kernels which are red, hard and vitreous have a very substantial protein content. And here we are still selling by grade, together with such premium for cash wheat as may exist either in Fort William or Vancouver. In the United States conditions are entirely different. Cash wheat in Chicago is almost always at a premium. You see, what happens there is this. We will say that a miller buys his supplies on the futures' market. Let us say that he wishes to have that wheat ahead of its delivery date. What he does, then, is to exchange his option with his vendor; and then he goes into the cash wheat market where it is sold, not on grade, but on sample. Cash wheat there is bought on a sample market.

So at times it is very difficult to make quick comparisons between prices, we will say, in Winnipeg and Chicago. And it goes to this extent, that when the United States government were seeking not so very long ago to get wheat out of the farmers' bins, to use in their commitments to Europe, they were paying a premium there as high as twenty cents a bushel on wheat.

That brings me back to something I intend to say now, for fear I forget to say it later in dealing with another phase of the matter, namely, that the farmers today, both United States and Canadian, are in the best bargaining position they have ever been in. I say that in connection with my advocacy of giving the farmer an opportunity to have alternative methods of sale, so that he may get the best price.

We who live out west know that nearly all the agreements for sale are gone; nearly all the mortgages are gone. It is not like the days of 19-cent, 25-cent and 30-cent grain where a man needed cash, and sold his grain so that he and his family could eat. Those days have gone, and that must make a considerable difference in our thinking with respect to methods of marketing.

I now turn to coarse grains, and I should first like to put on the record the history of what has happened in connection with barley. I shall not bother with oats. What I shall now state will show what has happened in connection with barley in 1947. At this time I am reading from notes. I know it is a bad habit, but there are a great many figures in here and I simply am not capable of remembering them. The first phase in 1947 lasted from the beginning of the crop year until March 17, 1947. Ceiling prices remained as they had been first established in 1941: 51½ cents a bushel for oats and 64¾ cents a bushel for barley, with a ceiling of five cents a bushel on premiums for barley selected for malting.

Having used the word "malting", I think I should say something about malting barley. During the whole time that we have had ceilings, all barley was sold at ceiling prices. I am speaking broadly and I do not want to be corrected for one per cent or anything like that. As I say, all barley was sold at the ceiling, irrespective of grade and irrespective of whether it was malting barley. Many pounds and bushels of malting barley have

been fed to hogs in this Dominion of Canada. All that time there was a market in the middle west of the United States among maltsters and brewers for malting barley at $2 a bushel.

We did not sell it. We could not sell it. Why? Although there was not a complete embargo; although you could sell under permit from the wheat board, the price per bushel for your permit followed almost exactly the difference between United States and Canadian prices. Of course that nullified any idea of exporting malting barley.

Mr. WRIGHT: Was not the object of that to supply bacon to England?

Mr. SMITH (Calgary West): No, the object was not that. No one has deliberately fed malting barley to hogs.

Mr. WRIGHT: Yes, we did.

Mr. BRYCE: I have.

Mr. SMITH (Calgary West): You did it because you could not sell it there.

Mr. WRIGHT: It was because Great Britain had to be supplied with bacon during the war.

Mr. SMITH (Calgary West): At the moment there are between twenty and twenty-five million bushels of barley more than are required in this country. That is just sitting around on top of this thing, flopping here and flopping there, and so you have your price. I know hon. members want to talk about the fluctuations in the price of barley on the Winnipeg grain exchange.

Mr. WRIGHT: No.

Mr. SMITH (Calgary West): You had not thought of that. All right; we will let that go. There is no free market now and, of course, you will have fluctuations; as long as there is a bar against exports of feeds to the United States, you will have the same thing. The sellers want to sell at once; the buyers want to buy at once, and there is no cushion or support from other export countries.

Mr. WRIGHT: Most farmers would have considered it a crime to have barley used to manufacture beer when Great Britain needed pork.

Mr. SMITH (Calgary West): The hon. member has mentioned beer, so let us talk about that. Here is the situation.

Mr. HOWE: I rise to a point of order. I understand that the motion before the house is that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole to consider a certain resolution. I always enjoy listening to the

[Mr. Smith (Calgary West).]

speeches of my hon. friend the member for Calgary West, but I submit that his speech, as well as his debate with his hon. friends to his left have nothing whatever to do with the resolution. The position is that we have nine working days between now and Easter.

Some hon. MEMBERS: Oh, oh.

Mr. ROWE: What is this, a steam-roller?

Mr. HOWE: I am just stating the position. In that time there is certain emergency legislation we shall have to deal with. We must pass this resolution this evening if there is any chance of having payments amounting to many tens of millions of dollars go out to the farmers before seeding. I just want to have it clear as to who is delaying this resolution. I do not want anyone to say that this government did not attempt to make those payments without delay.

Mr. ROSS (Souris): Several of us are going to say it.

Mr. SPEAKER: I am sorry to interrupt the hon. member for Calgary West, and I must say that as a member I enjoyed his remarks. However, I would call the attention of the house to the motion which is before it. It is that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole to consider a certain resolution. Hon. members will realize that the resolution can be considered in the committee of the whole. A few minutes ago I called the attention of the house to the fact that if this were not a money bill we would not be considering this resolution. However, since it is a money bill it must be preceded by a resolution which gives authorization to the house to proceed with a bill, which will have to be read three times before being passed. What the house should do now is to consider the principle of the resolution. Then, if the resolution is carried, a bill will be introduced and it will then be possible to go into details.

May I say to the house, if the house will permit me, that in England they proceed differently with money bills. They introduce the bill first. When the principle of the bill has been accepted a resolution is presented to give the crown the power to get the money to execute the clauses of the bill when it will have become law. I really believe that we should not lose any time in going into committee of the whole in order to discuss the merits of the resolution.

Mr. GREEN: May I submit to Your Honour that if you are giving a ruling of that type you are altering drastically the practice of this house and also are not following

strictly the rules of the house. There is a right to debate this resolution with Your Honour in the chair, and I submit that there is a perfect and unrestricted right to deal in that debate with the matters covered by the resolution. This resolution is broadly worded and I would read it to Your Honour. It reads:

That it is expedient to present a bill to amend the Canadian Wheat Board Act, to authorize the board to provide pensions for members, officers and employees and to make provision for the increase of the fixed minimum price on wheat deliveries; to extend the control of interprovincial movements of wheat products and to empower the governor in council to extend the present system to oats or barley.

I submit that that covers a very wide field and that, as long as the hon. member for Calgary West is dealing with those subjects, he has a right to do so and cannot be confined.

Mr. HOWE: Which one of those subjects has he been dealing with?

Mr. ROWE: With them all and nobody knows it better than you.

Mr. SPEAKER: Order. I should like to tell hon. members that I am not giving a ruling. I understand perfectly well that the wording of the motion covers what the hon. member has been speaking about.

Mr. CASSELMAN: Why is he not in order, Mr. Speaker?

Mr. SPEAKER: Order. I called the attention of the house a moment ago to the fact that the motion was that the Speaker do now leave the chair for the house to go into committee of the whole to consider the resolution. I understand that the practice has been to allow wide latitude in discussing the merits of a resolution when the Speaker is in the chair. I do not wish to give a ruling that it can or cannot be done. I am simply trying to be helpful to the house, in suggesting that the same debate should not be carried on twice, in the house and in committee.

Mr. ROSS (St. Paul's): Mr. Speaker, I would draw your attention—

Mr. SPEAKER: Order. I will ask the hon. member for Calgary West to proceed.

Mr. ROSS (St. Paul's): I am speaking on a point of order, Mr. Speaker, and it is this. From time immemorial when the government comes to the house and asks for money it has been the privilege of the members of the house to lay their grievances at the foot of the throne. The government is asking for money and that is where our opportunity comes in now.

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

Mr. SMITH (Calgary West): Mr. Speaker, the Minister of Trade and Commerce a moment ago told me that there were only nine days left. Probably we both realize that there is a little less that that now, since we have not advanced very far.

I was endeavouring to confine myself to the latter part of the resolution, which reads:

. . . and to empower the governor in council to extend the present system to oats or barley and on the proposed amendment thereto.

I was speaking about barley. I have a fair memory, but it does not extend over great periods of time and I have been quiet for so long that probably I have forgotten what I was talking about.

The first thing I say is this. I am entirely opposed to the introduction of those grains into any compulsory system, and I intend to explain why. I can understand the position of the C.C.F. They say: We believe in state control, production and distribution. They have a point of view, and there are many arguments which can be advanced for it. But I say this, that for those of us who have been giving lip service at any rate to private enterprise there is not one shred of excuse for bringing oats and barley into this picture. I go farther and say that the introduction of those coarse grains into this compulsory picture, this police picture —and remember the prosecutions with respect to wheat alone have been four or five hundred a year for the last few years—is without reason; no reason has yet been given why they should be brought under the marketing powers of the wheat board.

I say further that the wheat board a few years ago—and I know what I am talking about—were not in favour of and did not want power over oats and barley. I have the impression that they are still of that view. Perhaps one of the ministers might deal with that at an appropriate time.

What will happen to those who grow it, and I address myself particularly now to my C.C.F. friends who come from the prairies? You put the wheat board and, through them the government, in this spot. Coarse grains are so much different from wheat. Our wheat is exported all over the world; the major portion of it goes abroad. Only a small percentage, practically none at all, of our coarse grains is exported from the country, and only twenty per cent, I think, goes to other provinces. Here you have the wheat board in this spot. Your western farmer wants as much as he can get for his coarse grains. Your eastern and your British Columbia feeder

wants to buy his feed as cheaply as he can. You have the wheat board in the middle, and what are they to do about the matter? It means price-fixing from a spot from which it is hard to fix prices and so I say, not of this government particularly, but of any government, that you will have political price fixing and nothing else, because we know that the buyers outnumber the growers at least four or five to one. The C.C.F. party, who want to sacrifice their people out west to the eastern purchasers, have got something to explain to the growers of coarse grains in the west.

So we find ourselves in this position. This measure is not seriously asked for by anyone. The Canadian Federation of Agriculture is divided on it; we know that. Yet we find coarse grains in the measure and, finding it there, I must assume that the government is serious about it. I do not think the matter can be left with the Minister of Trade and Commerce telling us practically that it cannot be implemented anyway. I may be exaggerating what he said, but if I have exaggerated he will accept this as my opinion from the legal point of view that you will never get it. But the government have the provision there, and therefore we must assume that they mean what they say.

May I pause to answer the interruption made by the Minister of Trade and Commerce as to who will be to blame for delaying the payment of money to farmers. I say the blame can rest right in his lap. This house, as the hon. member for Swift Current said, in speaking so heartily in favour of the amendment which he voted against this afternoon—

Mr. BENTLEY: I did no such thing. On a question of privilege, Mr. Speaker, I wish to say that I voted in favour of your ruling. My vote had nothing to do with the merits of the motion before the house, and the hon. member knows it.

Mr. SMITH (Calgary West): There are a lot of people I should like to quarrel with, but the hon. member is not one of them. He is one of the nicest chaps I know and one of the ablest because he has made a beautiful distinction without a difference which he did not mention in the speech in which he spoke to the resolution.

I come back to the resolution and make this simple statement by way of prophecy. The wheat board is a popular institution among the farmers of Canada, and justly so.

An hon. MEMBER: Why?

[Mr. Smith (Calgary West).]

Mr. SMITH (Calgary West): Do you want me to take you to school or what? I have only so much time. The wheat board is a popular institution. This legislation, if it is passed, can create nothing but friction between the eastern and the western farmers. That is inevitable. It cannot do anything else, and we all know that when a board or an institution, supported by the government, becomes unpopular, our psychology is such that it loses its effectiveness. And this is the best means that I know of, of effecting that end. It is unfortunate; but it is true nevertheless, that two of the most moving factors in human conduct are greed and fear. In the west we want all we can get; in the east they want to buy as cheaply as they can. The world has not yet advanced to the point where we are all altruists, each man his brother's keeper, thinking of his brother more than of himself. Let us be realistic, because that is the situation in which we find ourselves.

I close with this, and perhaps some will be happy that I have said that. Here we have a measure for which there is no general demand. Here we have a measure which will completely socialize everything that the farmer has to sell, with the exception of rye and flax. Remember that in all the things that he does these charges are now fixed—carrying charges, storage, everything. Everything is now fixed by the government, to put this where they want to put it, or where they suggest they want to put it, under the complete socialization of all farm products in western Canada.

Of course my hon. friends will vote for it. What do they care about the loss a man may suffer who is their neighbour out there, so long as they are able, by measures like this, to attain their objective, which is the control of the production and distribution of all these products? Why would anyone favour that? Why do farm organizations in certain parts of the west favour it? For this reason. There has been a propaganda conducted by radio and newspaper with one thing in mind, and that is to kill the Winnipeg grain exchange. I have told the house my view on that. I have no intention of repeating it tonight, but it does seem to me that the spread of that kind of thinking has gone so far that these pools and so on, with that object in mind, are content to have the farmers make sacrifices in order that that result may come about.

That is not new. We have propaganda agencies now which form public opinion rapidly and then go on to solidify it and make it cohesive. But that is not new in this world. Mob psychology—and I use that term most

respectfully—is not new. We can go back to another day when Pontius Pilate made a certain offer and the answer was, "Crucify him, crucify him", not because that was right, not for a moment, but because that was the way the crowd were thinking at that time. Some people—

Mr. SPEAKER: I am sorry to interrupt the hon. gentleman again but he has exhausted his time.

Some hon. MEMBERS: Let him finish.

Mr. SMITH (Calgary West): I shall conclude very quickly, Mr. Speaker. While it is important, with respect to barley and oats, to the western grower and the eastern and British Columbia buyer, this thing goes very much further. The constitutional aspect I leave alone. I was never much of a constitutional lawyer, although I have read with great care the last case, that is the marketing case, where it is all reviewed by the chief justice and confirmed by the privy council. But here is my original point, and all I am trying to say; I put this in the form of an appeal to all members of the House of Commons. I do not think I have been partisan, or very partisan, in anything I have said; but there are many, many of us here, who give lip service to our present form of economy. I go farther and say that I think those of us who have done so really believe in that form and that the lip service I have mentioned was honestly given in support of that method of carrying on our business.

But, sir, with this particular thing, with this thing for which there is no universal demand, with this thing which must inevitably end in disunity, are we to be driven, to be forced by the advocates, the professional advocates, of some farmer groups, into taking from our farmers the last vestige of permission to bargain for their own products?

I understand the position of the C.C.F. They are logical. That is their belief. The rest of us have said that is not our belief; and so, sir, I say to you that I think it is time that those of us who believe in this economy, this economy which has given us the best standard of living in the world, this economy which produced so much during the war and which helped to win the war, should stand up boldly and be counted.

I mention two persons who, I think, must vote against this resolution: the Minister of Justice (Mr. Ilsley) and the Minister of Agriculture (Mr. Gardiner). May I read from page 868 of *Hansard* of Thursday, February 27, 1947. I do not think it is against the rules to read from last year's *Hansard*. I was speaking and I said:

> There is another thing I wish to ask the government, and I think it has been fairly put to them by my hon. friends to my immediate left. I think the government should be as frank as I am. Do they favour the compulsory handling of coarse grain by a wheat board? I have heard the ministers talk all around or over the question.
>
> Mr. Ilsley: I cannot speak on behalf of the government, but I will say that, personally, I am not.

Then I go on:

> May I say that I heard the answer of the Minister of Justice with the greatest of delight. I was sure he would say that. Now that we are holding this evangelistic meeting, there are two more ministers for us to hear from.

Then the Minister of Agriculture spoke and he said:

> Even in a revival meeting I do not usually go very far beyond the present time. I wish to say that I am opposed to putting the compulsory clause as related to coarse grains into this bill, which is what we are dealing with at the present time. I am opposed to that, and I think that is about as far as one needs to go at the moment.

What has happened since that date, February 27, 1947, to have the minister change his mind and make such a speech as he did in this House of Commons not so very long ago in support of this bill?

Mr. KNOWLES: Those who came to scoff, remained to pray.

Mr. SMITH (Calgary West): Then I went on. My old friend, the then Minister of Trade and Commerce (Mr. MacKinnon), with his usual astuteness and that charming smile of his, disarmed me and I sat down without getting an answer from him. But knowing him as I do, and knowing the things he believes in, I am perfectly certain that if he votes in favour of this bill, he at least has the grace left to blush in so prostituting the principle which has made him the great man he is.

Mr. G. H. CASTLEDEN (Yorkton): I am sure we all listened, Mr. Speaker, with a great deal of pleasure to the last speaker. He certainly made his position quite plain. He was quite frank in his statements, and I respect him for that. He talked long about the support that should be given to private enterprise such as the Winnipeg grain exchange. He knows the history of it, and he knows of the money which the grain exchange made out of the western farmers. That is probably why private enterprise supports it. But I say that

in his whole talk he has yet to prove that the Winnipeg grain exchange justifies its existence by any useful purpose.

He referred to the stupidity of the pools, how they grew, and the officials of the pools. The organization of western pools, the co-operative enterprise there, has saved the western farmer millions and millions of dollars. Even those farmers who did not deliver any grain to the pools gained by the fact that the pools are operating. I listened to his eloquent remarks about this great economy which has given so much. It is a great economy under private enterprise where a group of people sitting in the grain exchange can extract their millions out of the toil and labour of the farmers of the western plains, where hundreds of thousands of farmers do their work and slave. Because of the very things that went on in the Winnipeg grain exchange, the mortgage companies and the machine companies, those farmers came out at the end of 1939 with about $688 million worth of debt around their necks. It ruined those farmers. They had no crop year after year. Those farmers have been staunch and firm in their determination that the Winnipeg grain exchange type of legalized robbery shall be done away with and that a co-operative, a non-profit-making organization, shall handle their grain.

As far as his story about the opposition of eastern and western farmers is concerned, the western farmer will know at least that he is not compelled to sell his coarse grain at a low fixed price and let the grain exchange boost the price up, have the feed companies in the east buy up that grain at a cheap price and use the inflated grain exchange prices on the open market to sell their high-priced feed to eastern farmers. No matter which happens under a proper wheat board, nobody will be making a pile of money out of it—that is, the middle man—and the farmers in the east and the west will be together on this point.

I was particularly interested in the legal aspect mentioned by the hon. member. I should like him to turn up—and I am sure he must have done this—the original act passed by the Tory government in 1935. They are the fathers, if he has any doubt about it, of the original Canadian Wheat Board Act. I should like him to read section 14, and I am going to read that section to the house. After section 13 which set up the board and outlined its duties and its privileges, section 14 states:

14. The governor in council may approve of the provisions of this act being made applicable to oats, barley, rye or flax produced in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia, if the board recommends that such approval be given, whereupon the provisions of this act shall *mutatis mutandis* apply to such kind of grain as they apply to wheat.

It was not illegal in those days. It was not unconstitutional.

Mr. SMITH (Calgary West): That was declared unconstitutional.

Mr. CASTLEDEN: When?

Mr. SMITH (Calgary West): Well, I will give you the citation.

Mr. CASTLEDEN: In 1937. There is no constitutional difficulty about that. Apparently there is a constitution in this country which allows the government to go out and tax people without parliament even sitting, but it will not permit this government to go out and pay back to the farmers money which rightfully belongs to them. The payments which are to be made under this act are to be made, not out of the consolidated funds but out of the money made by the Canadian wheat board through the handling of the farmers' grain. It is their own money that is to be handed back to them.

We in this group want to facilitate the passing of this resolution and this legislation in order to get the cheques out to the farmers as quickly as possible. Members sometimes seem to forget, while they are sitting in this ivory tower, away from many of the realities of what the people are facing in the country, that a great many farmers in western Canada live in drought areas; that they did not get any return from their crops last year and need these payments on the 1945, 1946 and 1947 crops to carry on and put in their new crops, and that they want to know what is to happen with regard to barley, oats and rye. They want to know whether they are to be handled on the open market or whether they are to be handled through the grain exchange.

In anything we say here we shall be in support of putting this legislation through as quickly as possible. We are not delaying this bill. We are trying to facilitate it. I resent the charges made by the Minister of Agriculture (Mr. Gardiner) the other night when he said we were aiding and abetting the Tories in having this thing delayed by having three or four bills put up instead of one. We moved an amendment to have oats and barley, the coarse grains, put into this act in 1947, just one year ago. There were all kinds of constitutional difficulties at that time. Now the government wants to put them in. I maintain, Mr. Speaker, that there are two parts to this bill or resolution which we have before us. One of them, I think, has the unanimous support

of anybody who knows anything about the situation, and that is the one providing that the payments shall be made on the 1945, 1946 and 1947 crops. The other part is controversial, and I suggest that the proper committee, the parliamentary committee on agriculture, should deal with that part of it. I suggest that if we can get this legislation or the part that is non-controversial before the house this evening, it will pass through committee rapidly and the bill can go through. The second part of the legislation with regard to coarse grains can be adopted in the committee. We can get it through, bring it in here again and, if possible, get it passed through this house. But at any rate we shall not be holding up the money that is due to these farmers—a payment of their own funds. This money belongs to them because it was made out of grain which they grew and delivered themselves in those years.

This whole matter of coarse grains is of vital importance to the growers of western Canada, to the feeders of eastern Canada, to the consumers generally, to the feed companies and to the Winnipeg grain exchange; and quite rightly so. The life of the Winnipeg grain exchange depends upon whether or not they are to be allowed to handle these coarse grains and the other grains. On the other hand, the welfare of the Canadian farmer depends upon whether there is to be orderly marketing of his grain and his crop in this country and whether we are to have the old grain exchange. The Canadian people can make their choice. If there is to be orderly marketing, there must be the power within the Canadian wheat board, which operates and handles their grains, to control that grain. We cannot have part of it rambling out through the grain exchange and gambling on it here and there, and part of it sold through the wheat board. We think it should be settled, by a voluntary decision of the representatives of the people in this house, as to which they are to have. If the government is to decide on a policy of orderly marketing, I think this legislation should go into effect. I know it will have the support of the growers, because the growers know that under the wheat board if there is anything coming out of the sale of their grain, it will be returned to them. It is not costing the taxpayers of Canada anything. Of course there will be a big fight; those who believe in private enterprise, that is the grain exchange, naturally will oppose this legislation. We believe that the grain exchange should be done away with; that a government agency should operate, at no expense to the country, because the operations of the wheat board are paid for from the profits of their own undertakings and everything beyond the cost of handling goes back to the men who grew the grain. If anyone is entitled to profits, certainly it is those who grew the grain and not those people who gamble in the wheat pit and, as far as has been proved to date, perform no useful function or at least no function comparable with the amount of money they get out of it.

Personally I am doubtful whether the present government believes this legislation will go through. If the Liberal party had been sincere in its belief that the Winnipeg grain exchange should be done away with and that there should be orderly marketing of the farmers' produce through a government agency without profit, they could have enacted this legislation long ago. If the Tory party had believed in it they could have brought in legislation, while they were in power, which would have done away with the grain exchange. The truth of the matter is that both parties have been in power, but the grain exchange is still carrying on. The biggest blow it ever got was when all wheat had to be handled through the wheat board.

Mr. GARDINER: The Conservatives did bring in that legislation.

Mr. CASTLEDEN: Yes, they brought in legislation but they did not implement it, and the grain exchange continued to operate. Last year, when we were considering amendments to the wheat board act, I moved an amendment, seconded by the hon. member for Weyburn (Mr. McKay), which would have brought coarse grains under the wheat board. That amendment was declared unconstitutional. The Minister of Agriculture (Mr. Gardiner) said it would endanger the wheat board itself. The chairman of the committee asked me to withdraw it, but we said we would fight for it because we believed that commodities of this kind should be handled by the wheat board, in order to prevent the very thing that happened last fall. That is, coarse grains remained under control; the price the farmer would get was fixed; he got his 1947 price and delivered his grain at that low price. Then on October 21 the lid was taken off; prices went up, and the feed and grain companies had picked up the coarse grains. Farmers were not allowed to deliver wheat; the elevators were instructed to get out all the coarse grains possible, that they were needed immediately, and I believe they were. But the farmer was obliged to sell at low prices. The minister claims they did so with their eyes open. They did not. They did not know what would happen. As a result, the grain companies made profits. I do not know what profits the feed companies made; I do not know how much grain they bought,

but it should be possible to find out. Now the Minister of Trade and Commerce (Mr. Howe) tells us, "Oh well, the fortuitous profits made by those companies are being returned to the farmers." I do not know what fortuitous profits are, or how you separate them from ordinary profits. They are all profits anyway. I can guarantee that the grain companies are not handling these grains at cost, which is what would have been done if they had been under the wheat board.

The position of this group is quite clear. We believe in orderly marketing, and we believe this requires that people should deliver their grain to the government agency. It is a non-profit agency, and the principle behind it is good and right.

Not very many minutes ago the Minister of Trade and Commerce interjected that we had to get this thing through as quickly as possible. I agree; I think that is necessary. We want to get these payments out to the farmers as quickly as possible. In order to facilitate this legislation—because apparently that is what the government considers necessary before it can make any of these payments—we are going to move that this resolution be divided into two parts; that the non-controversial part be placed before this house, go to committee, and pass through as rapidly as possible. We will facilitate that. The other part, which is controversial, we believe should be sent to the proper committee, where it can be considered. Then it can be brought back here and a decision reached, as the hon. member for Calgary West (Mr. Smith) said, by hon. members standing up and being counted, to show whether or not we stand for the principle of orderly marketing. Therefore I move, seconded by the hon. member—

Mr. GARDINER: If I may interrupt the hon. member, I understand that he is proposing to move an amendment to the resolution which, as he says, would separate one question from the other. As I said the other night, that would mean four discussions in the house, two on the resolutions and two on second readings of the two bills. The opportunity to do at the proper time what is being suggested is provided at all times under the procedure in this house. The resolution itself can be passed and the legislation brought before the house. That legislation has to be given second reading, which provides an opportunity again to discuss the whole principle. Then it goes to committee, where the different clauses can be discussed. If at that time, when we reach that position, the house indicates that these two matters should be separated, there will be an opportunity to do so. But to do it at this stage would simply slow down the whole discussion on these matters so that we would take just twice as long to get them through the house.

As has been said by other hon. members, we are agreed on that part of it which provides payments to farmers, and this might be put through in a hurry. There is a reason why the other part should not be unduly delayed. Everyone admits that more than this legislation will be required to put oats and barley under the wheat board. That point is not a matter for discussion either inside or outside this house. There is no question about that among farm organizations, wheat pools or anyone else. It is agreed by everyone that, in addition to the legislation passed here, legislation must be passed by the legislatures before feed grains can be put under the wheat board. Those legislative bodies are now meeting; and the argument is that if we go ahead and refer this matter to the agriculture committee, if we discuss it back and forth here, and put ourselves in the position that we shall not pass it before Easter, there is no possibility at all of having coarse grains brought under the wheat board this coming year. So I would suggest that this resolution be allowed to reach the committee stage on the bill where at least we have the legislation before us and we can discuss the legislation rather than all these other matters we are talking about tonight.

Mr. CASTLEDEN: To some extent I agree with the minister, but I do not agree that there would be twice as much discussion if we divided this into two parts. There will be almost unanimous agreement on the first part of the resolution. It could be put through tonight; the resolution could go through the house and committee stages and the legislation brought down. The other part may be more controversial. The minister says the other provinces will have to pass complementary legislation; that is, Alberta, Saskatchewan and Manitoba. I would point out that the government of Saskatchewan have already expressed their willingness to pass this legislation immediately. All they asked the government to do was send them some legislation which would meet the situation and, if necessary, they would have legal counsel here within forty-eight hours. Those provincial legislatures are now in session. If they are told that complementary legislation is necessary it can be brought down while their houses are still sitting. We do not want this delayed. As I said a few moments ago, we want to help the minister as much as possible, and we are trying to facilitate this legislation. However, we do see the possibility

of a long debate on the coarse grains part of the motion, and we would like to avoid that.

Mr. HOWE: It may shorten debate if I say that at the proper stage when we are discussing the bill in committee, I will agree to separate the part concerning coarse grains and have that part sent to the agriculture committee for discussion, provided that such discussion will make it possible to expedite the remainder of the bill, which should be non-contentious. I am quite willing to do that. And if my hon. friend will delay the moving of his amendment until the bill is before us, and move it when we are considering the coarse grain section, I undertake to agree.

Mr. ROSS (Souris): May I ask the minister one question? Would he agree to referring the pension clause of it to the committee, too? There is general agreement on the payment of moneys belonging to the farmers; but there will be quite a debate on the contributory principle of pensions. If you wish to have the payments passed through quickly, and the money paid to the farmers, I suggest that you divide it up twice.

Mr. HOWE: I am willing to open the grain act twice. I know the fervour which overcomes certain members of the house when anyone mentions wheat, and I know that certain members, such as the hon. member who has just spoken, will speak on every such occasion, at great length. It seems to me that the matter of pensions is so much a part of the fabric of this country today that that section should not be contentious. I am not going to open the wheat board bill three times; I will open it only twice. I must say I will not open it three times.

If it is necessary to delay the payment of tens of millions of dollars because we cannot agree that the Canadian wheat board can pay pensions to its employees, then I think payments must be delayed. There is a limit to the patience of governments. There is also a limit of twelve months in the year. We can sit in this parliament for only twelve months; and I think we are booked with work for eleven months now.

I think the offer I have made is a good one, and I hope hon. members will feel disposed to expedite the bill so that the money can be paid out and so that a pension plan can be made effective.

Mr. ROSS (Souris): I had only suggested that it be divided two ways. Make the payments separately.

Mr. CASTLEDEN: The minister gives his undertaking that, as the bill comes on, opportunity will be given to divide it. I shall be pleased to hold back my resolution until that time. We want these payments put through as rapidly as possible, and that will facilitate it.

Motion agreed to on division and the house went into committee, Mr. Golding in the chair.

The DEPUTY CHAIRMAN: Shall the resolution carry?

Mr. ROSS (Souris): On division.

Resolution reported, read the second time and concurred in. Mr. Howe thereupon moved for leave to introduce Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Motion agreed to and bill read the first time.

The ACTING SPEAKER (Mr. Golding): When shall the bill be read the second time?

Some hon. MEMBERS: Now.

Mr. BLACKMORE: How in the world can we read a bill a second time, when we have never seen it?

Mr. ROSS (Souris): In all fairness, we should see the bill.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house in committee of ways and means, Mr. Golding in the chair.

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. That on and after November 18, 1947, there shall be imposed, levied and collected an excise tax of twenty-five per cent (25%) on the following goods imported into or manufactured or produced in Canada: (a) the following electrical appliances, grills, waffle irons; hot plates, roasters; kettles; chafing dishes; food or drink mixers; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs; hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments thereof; garbage disposal units; floor waxers and polishers; (b) electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; air conditioning, cooling or filtering equipment, and complete parts thereof; oil burners and oil burning equipment; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs; (c) articles and equipment designed for use in golf, tennis, badminton.

squash, racquets, polo, billiards, pool, bowling and curling; fishing rods and reels; (d) firearms except for military or police purposes; (e) engines or motors for use in boats or vessels, except when the boats or vesesls are to be used exclusively in commercial or industrial enterprises; (f) outboard motors; (g) motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles designed for use by invalids; (h) musical instruments of all kinds, not including organs for churches; (i) projectors for slides, films or pictures designed for industrial or professional photographers' use; and (j) toilet articles of all kinds, including combs, mirrors and brushes except tooth brushes, not coming within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one per cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

The DEPUTY CHAIRMAN: We have amendments by the Minister of Trade and Commerce. Shall these amendments carry?

Some hon. MEMBERS: Carried.

The DEPUTY CHAIRMAN: Shall I report the resolution?

Mr. MACDONNELL (Muskoka-Ontario): What was that you said, Mr. Chairman?

The DEPUTY CHAIRMAN: We have amendments, moved by the Minister of Trade and Commerce, and I asked if those amendments would carry.

Mr. HAZEN: What amendments are they?

Mr. ABBOTT: They were moved a week or two ago.

[Mr. Ross (Souris).]

The DEPUTY CHAIRMAN: If the committee wishes, I shall read them now.

Mr. ABBOTT: Dispense.

The DEPUTY CHAIRMAN: It was moved by the Minister of Trade and Commerce (Mr. Howe), seconded by the Minister of Agriculture (Mr. Gardiner),

That the resolution to amend the Excise Tax Act now before the house be amended as follows:

1. By deleting from paragraph (a) the following: "grills; hot plates; food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;"

2. By inserting the following paragraph immediately after paragraph (a) as paragraph (b): "(b) The following electrical appliances when adapted to household use; food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;"

3. By relettering paragraph (b) as paragraph (c) and deleting therefrom the following: "air conditioning, cooling or filtering equipment, and complete parts therefor; oil burners and oil burning equipment;"

4. By deleting paragraph (c);

5. By deleting paragraph (e) and relettering paragraph (f) as paragraph (e);

6. By deleting paragraph (g) and substituting therefor the following:

"(f) motor cycles and all other two or three wheeled motor driven vehicles, including motors for attachment to bicycles, but not including vehicles specially designed for carrying goods or for use by invalids;"

7. By deleting paragraph (h) and relettering paragraph (i) as paragraph (g);

8. By deleting paragraph (j) and substituting therefor the following:

"(h) Toilet articles of all kinds (including combs, mirrors, and brushes other than tooth brushes or shaving brushes, the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than twenty-five cents each,) and which items do not already come within any other item in schedule one of the said act."

Shall the amendments carry?

Mr. MACDONNELL (Muskoka-Ontario): No. We were dealing with this the night before last.

Mr. ABBOTT: We are just continuing at this time.

Mr. MACDONNELL (Muskoka-Ontario): When the house adjourned, the minister was to give us certain information as to what the last four months had shown with respect to taxes collected and the amount of United States exchange being saved.

Hon. DOUGLAS ABBOTT (Minister of Finance): Yesterday afternoon I was asked to give an estimate of the increase in collec-

tions as the result of the proposed new excise taxes. In the case of automobiles, the total tax collected from November to February inclusive was $10,449,779.03, and the estimated increase as the result of the proposed increased taxes is $2,263,977. On cameras, projectors and the like, the total for the same period November to February was $358,105.97, the estimated increase being $214,863. On phonographs, radios and the like, the total tax collected, again for the same period, was $2,766,195.84, with an estimated increase of $1,659,717. In the case of electrical appliances there was no tax previously, and the estimated yield is $1,544,499.46. On firearms the estimated yield of new tax is $55,830; on outboard motors, $56,773, and on motorcycles, $68,366. The estimated total increase is $5,863,995.46.

Mr. McKAY: Would the minister indicate the total?

Mr. ABBOTT: Subject to corrections in the addition which I have made rapidly, total tax collections for the various excise taxes, including taxes which were imposed on articles not subject to the tax before, during the period I have mentioned is $15,299,519.30.

Mr. JAENICKE: I listened with great interest yesterday to the minister's explanation for this tax, but I did not get an opportunity to ask some questions I should like to ask now. The minister told us that this tax is one of the measures necessary to conserve United States exchange. He told us that the first measure was the prohibition and restriction of imports. Then he went on to say, and I quote from page 2089 of *Hansard*:

> Another is the imposition of excise taxes, which is the measure we are now considering, to accomplish two things. The primary purpose is to reduce the consumption of articles in this country . . .

What is the second thing? I understand that these taxes are being imposed to reduce the consumption of these articles, because they are either imported from the United States or their make-up is largely of United States manufacture. The minister mentioned that there are two things and I should like to know what the other thing is.

Mr. ABBOTT: As I said, the first is to reduce the consumption of articles which contain either high United States content or substantial United States content. The secondary purpose, if I may so describe it, is to reduce the consumption of articles in this country which, for the time being, we can do without. I think I explained yesterday afternoon that if we are to continue to export to the war devastated countries of Europe we must reduce consumption in this country, whether the things we consume have a United States content or not. In other words, we must create what I refer to and what the economists refer to as an over-all current account surplus. I think the hon. member for Muskoka-Ontario agreed that we must do that, although we may differ as to the methods of achieving that end. I submitted to the committee that one of the recognized methods of reducing consumption, and incidentally the one which I favour as being the appropriate one, is the fiscal method.

It seemed to me that the only valid criticism which could be directed against this proposed excise tax measure was that it did not cover a wide enough field, that we should have covered more territory, taken in more products and, by imposing a tax on those, endeavour to reduce consumption of some of these other commodities. That may or may not be valid criticism, but that is one which could be made.

Mr. JAENICKE: I thank the minister for the explanation. He mentioned that yesterday but he did not refer to it as being the second reason or cause.

Mr. ABBOTT: That is one of a number of other reasons.

Mr. JAENICKE: On February 23 the minister also spoke, and he told us why certain things had been taken off the first schedule. These were items which we were exporting to the United States, and I quote the minister's words, as reported on page 1539 of *Hansard*:

> Under this procedure the amount of such a tax as our 25 per cent excise tax is added to the value otherwise subject to duty, with a consequent increase in the total duty payable. On balance, as a result of this procedure in several instances we stood to suffer a loss of exports to the United States, and it is for this reason that I am proposing that the tax be not imposed in the case . . .

And he went on to name certain articles. It appears that the United States, in valuing for import duty purposes, added on this 25 per cent excise tax, but I maintain that is against the provisions of the Geneva treaty. Has the minister made representations to the United States authorities in that respect and, if so, with what results?

Mr. ABBOTT: The position is this. I think I would agree with my hon. friend that it would be contrary to the Geneva agreements. Representations were made to the United

States authorities, and they agreed that it should be done, but it requires legislation by congress before they can do it. That legislation has not yet been passed. So for the time being the present United States customs law is to apply and the 25 per cent is to be added. That is the position the Canadian exporter is in until such time as congress passes the appropriate legislation to implement the undertakings in the Geneva agreements.

Mr. CASE: The minister said that the excise tax was intended to slow down the purchase of certain goods in Canada.

Mr. ABBOTT: To reduce the consumption of certain goods; that is correct.

Mr. CASE: On the evidence given this evening, $15,299,000 of excise taxes have been collected.

Mr. ABBOTT: Some of that was collected under excise taxes in existence before this proposed amendment. The estimated increase is between five and six million dollars.

Mr. CASE: Is the minister convinced that that amount has slowed down purchasing in Canada and, if it has, has it not also reduced production?

Mr. ABBOTT: I would answer my hon. friend in this way. If the people who have purchased these articles which are subject to the increased excise tax have done so because they prefer these articles to others they have, speaking in terms of economics, less purchasing power to spend on something else, and to that extent the tax is accomplishing the end we have in view.

Mr. CASE: Eventually you hope to draw off purchasing power by the tax?

Mr. ABBOTT: To some extent.

Mr. CASE: Would this tax be refunded if the bill failed to pass?

Mr. ABBOTT: Those who have paid the tax would be entitled to claim a refund.

Mr. CRUICKSHANK: Does section 1 mean that electrical appliances such as grills, waffle irons, hot plates, roasters and so forth are not to be taxed if used in restaurants?

Mr. ABBOTT: That is correct. We decided to remove from the operation of this taxing measure articles which went into commercial operation. Those are dealt with under part III of the import control restrictions. For that reason we decided to restrict the tax to articles which go into consumer use.

Mr. CRUICKSHANK: Am I to understand that I, as a member of this house and a veteran, am supposed to justify Mr. Weston and Mr. E. P. Taylor, who have taken over most of the restaurants and everything else in Canada, not having to pay any tax on the toasters and other appliances they use in Honey Dew and other places, while the returned veteran who is trying to set up house has to pay a 25 per cent tax on these same articles?

Mr. ABBOTT: Toasters are taxable, no matter who buys them. But in the case of commercial users, we get after them in another way.

Mr. CRUICKSHANK: Am I to understand that Mr. Weston and Mr. E. P. Taylor owning Honey Dew and practically a monopoly in many lines of business, can buy grills, hot plates, food or drink mixers, food choppers and grinders, irons and ironers, vacuum cleaners, without paying the 25 per cent tax? Am I to understand that the minister expects me to justify that to the veteran who has to pay a 25 per cent tax on these articles when he is trying to set up house, while Mr. Taylor and Mr. Weston have not to pay? I did not think my good and genial friend the Minister of Finance would have the audacity to bring in such a ridiculous measure.

Mr. ABBOTT: The principle we have been endeavouring to follow is this. We are not imposing taxes on goods which go into the cost of producing other articles or into the cost of carrying on business. The taxes which it is proposed to impose under this amendment to the act are taxes imposed on consumer goods. We are not trying to single out Mr. Taylor or anybody else for the imposition of taxation. The dividing line of principle is this: We are not imposing this tax on machinery which goes into the cost of operating a business. Those taxes are imposed in another way. This tax is in essence a consumer tax, intended to slow down the purchase of consumer goods until such time as we are in a better position to afford them. There is no intention to discriminate between one group in the community and another. This is simply differentiating between consumers and the industrial or commercial user of machinery or equipment. It is a clearly defined line. That is the only reason for excluding from the operation of this tax machinery or equipment or appliances which are going into factories, restaurants or other commercial enterprises.

Mr. CRUICKSHANK: If anybody has done more for Canada than the veteran who has returned and is trying to set up house I should like to know it. I cannot follow the argument of the minister at all. If a tax should be put

on restaurant equipment, all right; that should be a separate tax. But why the veteran who is trying to set up house should have to pay a tax on articles on which the restaurant does not pay a tax is something I cannot understand, and if the minister tries to tell me that Honey Dew is more entitled to get a toaster than the veteran I disagree with him entirely.

Mr. ABBOTT: Toasters are not in it. My hon. friend perhaps has not received a copy of the amended list in manifold form. The amendment excludes hot plates, grills, food or drink mixers, and so forth.

Mr. CRUICKSHANK: I have had a little legal advice from some members on the same side of the house as the minister, but if the minister can make it perfectly clear to me that the veteran is not subject to this tax, possibly I shall be satisfied.

Mr. ABBOTT: A few minutes ago the chairman of the committee read the amendment to the committee, but it was pretty difficult to follow. The amendment summarizes the deletions and alterations which have been made in the resolution since it was first announced by me on November 17. The proposed amendments are the results of discussions we have had with representatives of industry, consumers and others interested, and the amended resolution now comprises what we believe to be a fair list of articles which should be taxed. In its amended form it now excludes such things as toasters, grills and hot plates.

Mr. CRUICKSHANK: I am glad the minister has gone as far as that and I hope he will go farther, but I will ask him again: Is there any reason why Mr. E. P. Taylor, Mr. Weston, the Honey Dew or somebody else is more entitled to have a chafing dish or a waffle iron than a veteran of this war?

Mr. ABBOTT: Let me say that we do not draw our legislation with a view to Mr. E. P. Taylor or anybody else in this country but to everyone in Canada. We have not Mr. Taylor or any other individual in mind when the taxes are drawn.

Mr. CRUICKSHANK: Then, if the minister has not them in mind, why does the amendment not cover coffee makers, toasters and other things for the veterans? Is the veteran not entitled to exemption from taxation exactly the same as Mr. E. P. Taylor or anybody else? The minister is apparently ill advised by some of his brain trusters. Let me read it.

Mr. ABBOTT: The minister knows it pretty well.

Mr. CRUICKSHANK: He may or may not. Take electric or gas refrigerators. I will ask the minister this question. Did he ever hear of a place called Cariboo? It is not in my district. The only refrigerator they can get is a gas or a kerosene refrigerator, but so far as any article for commercial use is concerned, for the benefit of Mr. E. P. Taylor and Mr. Weston, they are to be exempt. I for one wish to take strenuous exception to that. With all deference to the minister, and my compliments to him, he has been ill advised by some of his so-called bureaucrats, who have no sympathy whatever for the veterans of Canada.

Mr. ROSS (St. Paul's): I think the minister has contradicted himself in what he has submitted to the committee. He says, first of all, that the taxes are to discourage production. That is the main thought he has in mind.

Mr. ABBOTT: Not to discourage production, to discourage consumption.

Mr. ROSS (St. Paul's): What is the difference? It is discouraging production. On the other hand, the minister says there are no taxes on machinery for the production of these consumer goods. How can he reconcile these two positions? First of all, he says he is going to discourage consumption, which means that he will discourage production, and what does that mean? That means loss of employment. I would point out to the minister that once you start a depression, once you start unemployment and get the skids greased with a 25 per cent tax, you discourage buying more and more, and you are in a dangerous position. This whole situation that we have today, this attempt to balance things up, only emphasizes the necessity, which the government should have realized, of devaluing our dollar. The whole thing could have been done easily in that way and it could have been done overnight. There is no doubt about that. What are the results to date? We have an average loss of United States currency of something like $70,000,000 a month.

Mr. ABBOTT: A net gain last month.

Mr. ROSS (St. Paul's): Seventy millions a month. The minister, in other words, is in the position of someone trying to trim the Christmas tree. He takes a little off this side and he finds that, to balance it, he must take a little off the other. Then, when he has taken some off the other side he finds that he is forced to take a little more from some other part. The result is that he has nothing but a skeleton left. The minister said this was to discourage consumption of such commodities as copper, aluminum, lead, zinc and things of that sort. I wonder if the minister has any

idea as to what was the copper production of these things, or the consumption of these things, or what the exports were? How much does the government hope to save? I should like to know something about that, and I think it would be interesting to the committee to find out. I am sure the committee would like to know what the situation is in connection with these products. Can the minister tell us?

Mr. ABBOTT: I have not those figures available at the moment, but they can readily be obtained in a number of government publications. I could get them. Our production of copper, lead, aluminum and other base metals is well known and our exports are known, so that if one were to subtract the exports from the total production, one could arrive at the domestic consumption. I have not the figures this evening.

Mr. ROSS (St. Paul's): What is the consumption of these various articles such as vacuum cleaners and radios? Take radios, for example. Most radio receiving sets made in this country today have something like 80 or 90 per cent Canadian content. What shall we save in that direction by reducing the production of radios and by a reduction in the consumption of this commodity? What effect will that have on investigation and research which is going on in connection with that industry at the present time? How will it affect that industry? I know the minister has had an interesting brief from the radio people and they have been turned down flat. What is the reason? It would be interesting to know something about reduction of employment in that business, and the same with vacuum cleaners and refrigerators. Can the minister give some estimate of the reduction that is likely to take place in the production of these articles?

Mr. ABBOTT: I have not those figures, but they are all on record. I gave figures earlier in the debate, but I have not them at the moment, as to the number of radios produced domestically and the number imported. From memory I would say that the larger proportion of radios purchased in Canada are domestically produced, while the proportion imported is relatively small. On the other hand, domestically produced radios contain in some cases a considerable proportion of imported parts, and even those which contain—

Mr. ROSS (St. Paul's): Ten per cent.

Mr. ABBOTT: Even if they did not contain one per cent, on the thesis I developed earlier this evening, we should reduce our consumption of radios if we are to continue

[Mr. Ross (St. Paul's).]

to extend aid to the devastated countries. We should do so even if they did not have five cents' worth of United States content.

The CHAIRMAN: It has occurred to me that the committee might be prepared to carry the amendment and then it could consider the resolution as amended.

Mr. ABBOTT: That would be helpful, and the committee would see what is covered by the proposed tax resolution, but I am in the hands of the committee.

Mr. MACDONNELL (Muskoka-Ontario): Is this amendment merely to give effect to what the minister told us had already been decided, namely, that the articles originally put in were many of them now taken out?

Mr. ABBOTT: Some were taken out and the provisions of the resolution rearranged. That is correct. The original resolution as tabled by me on December 19, or whatever the date was, is amended by removing from it a number of articles which it had previously been intended should be subject to the tax. That is the sole effect of the amendment. It is to narrow the scope of the proposed tax.

Mr. CASE: Before I am asked to vote on the amendment, I should like to ask the minister a question somewhat along the line of the questions asked by the hon. member for Fraser Valley. With regard to these things now appearing in the amendment, will tax refunds be made to the people who made purchases, if they are veterans or otherwise? With regard to all these articles on that list, and on which you are collecting taxes, if this amendment carries have we your assurance that refunds will be made to the purchasers?

Mr. ABBOTT: That really has nothing to do with the amendment. The situation will be this. This proposed tax is being paid now by the manufacturers or on importation. If parliament refuses to approve this tax, they will have the right to claim from the dominion government, and will receive, a refund of the taxes which they have paid. The purchasers of the articles which are subject to tax will have paid a purchase price for them which will not be segregated so far as tax is concerned, and it will be within their right to claim, from the person from whom they have purchased the article, a proportionate reduction in the price for such portion of that price as may involve the tax content. That may be complicated from the point of view of the original purchaser, but I do not think that eventuality will arise.

An hon. MEMBER: It is impossible.

Mr. BENTLEY: I wanted to ask the minister a question also arising out of his reply to the hon. member for Fraser Valley. He said that those people who had purchased those things which were on this list and who are in the business of producing consumer articles as opposed to those who are producing for service, receive them tax free.

Mr. ABBOTT: That has been, broadly speaking, the principle we have decided to follow in connection with this tax. In essence, it is intended to be a tax on consumer articles, not on producer articles.

Mr. BENTLEY: I want to follow this up. What measures are the government taking to prevent some of these people in that category, who can buy these articles tax free, from also setting up a side line on the black market? If these things are to be scarce and people are willing to go out and pay black market prices to get something they want, what is to prevent some of these people in the category mentioned, who can buy them tax free, from buying them for friends and eventually creating a black market?

Mr. ABBOTT: The articles which are referred to, I am advised, are articles which are adapted to commercial use, not to household use. That is the language of the resolution.

Mr. CRUICKSHANK: In pursuance of the question asked by the hon. member for Grey North, I think it is the duty of the minister to put this on record so that the people of Canada will know what the situation is. If a man has paid that tax, can he demand its refund?

Mr. ABBOTT: Yes; and the only man who will have paid the tax will have been the manufacturer.

Mr. CRUICKSHANK: Pardon me.

Some hon. MEMBERS: And the retailer.

The CHAIRMAN: Order.

Mr. CRUICKSHANK: Just a minute, Mr. Chairman. Again the minister has been ill advised by some of his advisers. Individuals have paid that tax, through their retailers who, I presume, paid it through their wholesaler on these items. If the minister wants that to be proven to him, I shall be glad to do so. I want the minister to put it on record that the dominion government orders those retailers or wholesalers to refund any of those taxes which have been collected.

Mr. ABBOTT: If this tax is not imposed—and I do not think for one moment that parliament will not approve this resolution; but suppose it were not—then anyone who has bought an article which is subject to this new tax is entitled to go back to his retailer and say, "Refund me the portion of the price which represents taxation."

Mr. THATCHER: How can he do that without a cash sales slip?

Mr. LOW: I wanted to ask two or three questions following the speech made a moment ago with regard to radios. It occurred to me to ask the minister if there is an export market for Canadian-made radios that would be sufficient to take up the saving in Canadian consumption effected by this bill, so that Canadian manufacturers of radios would not be forced out of business.

Mr. ABBOTT: I am told that there is at the present time no substantial export market for radios. There is some export market. When I say export market, I was thinking particularly of exports into the United States. We export radios to a variety of countries in other parts of the world, such as the Azores, Afghanistan—I see in looking at this list—Cuba, Guatemala, Haiti, Iran and so on. The total value of radio receivers exported in the period of the first eleven months of 1947 totalled $1,500,000 odd, and a long list of countries was covered. Just looking at it quickly, there appear to me to be some forty or fifty different countries. But the export volume of completed radio sets is not substantial at the present time; nothing compared with the domestic consumption.

Mr. LOW: May I just finish that? Would it not be advisable for the government to assure itself that its measures under this act will not force out of business manufacturers of that type in Canada, because I think the minister admits it is a good thing to have Canadian manufacturers continue to supply the Canadian market with their own products?

Mr. ABBOTT: My information is that, notwithstanding the imposition of this proposed tax, Canadian radio manufacturers will sell every radio receiving set they have produced this year.

Mr. LOW: Just one other question and I shall be through, Mr. Chairman. The minister laid some emphasis on the slowing down of consumption in Canada through the effect of this measure which I can quite understand. But I wonder if the government has given careful attention to the alternative; that is, measures to bring production to the point where it will be possible for a great many more things to be exported beyond what

Canadians want to use. I am afraid that not much evidence has been given to the committee to convince us that that avenue has been explored to the end. The minister mentioned yesterday that we had full or nearly full employment; but that does not mean to say, by any means, that we have our industries working at anything like 100 per cent efficiency. It seems to me that the minister should give us some assurance that the government, before it imposes this tax, has investigated this other alternative and has satisfied itself that it has given every assistance and leadership in trying to bring up the efficiency of the manufacturing industries in this country to the point where they just cannot get any more production.

Mr. ABBOTT: To answer my hon. friend's question, as I said yesterday afternoon, there are two ways in which we can re-create this over-all current account surplus that I have been discussing, and that is by increasing production and by reducing consumption; either or both of those methods. We are now operating apparently under a condition of practically full employment. Our production is away ahead of anything it has ever been before in this country. No doubt it could be increased by lengthening hours of work, by improving methods, and perhaps by a variety of other ways. There is this point to be borne in mind, however, that increased production in this country, particularly in the industrial field, involves increased imports of such things as steel, fuels, petroleum and so on from the United States. So I must say I do not believe the cure for this situation, namely the creation again of this over-all current account surplus to which I have been referring, can be achieved entirely by an increase in production. I would hope that we could increase production to some extent; but I think it has to be achieved in the volume we need by some reduction in the level of domestic consumption, either in the capital or in the consumer field.

Mr. FLEMING: There is a point in connection with this amendment which I think the minister has not adequately explained. We are dealing with a group of amendments which generally have the effect of reducing the list of articles in respect of which the excise tax is to be imposed. But some of these amendments have already taken effect. The minister undertook to levy this tax illegally and, according to his statement tonight, without any colour of right, legal or constitutional, has extorted from the people of Canada between $5,000,000 and $6,000,000 under the tax announced by radio on November 17. The same minister, as it has pleased him from time to time, has undertaken to remove this illegal tax from certain articles. For instance, on November 9 we read that the tax had been removed from pianos.

Mr. ABBOTT: What date?

Mr. FLEMING: January 9. Then on January 21 we read that oil burners and sporting goods had been removed from the list. On January 23 we read that the tax had been taken off air-conditioning equipment. The minister has not yet explained—

Mr. ABBOTT: Yes, he has. It was one of the few occasions when my hon. friend was not in his seat.

Mr. FLEMING: The only occasion during the course of this debate when I have not been in my seat was yesterday afternoon when for one hour I was fulfilling my duties in the prices committee.

Mr. ABBOTT: This was a week or ten days ago.

Mr. FLEMING: I can tell the minister I have read everything he has had to say during the course of this debate. I ask him to say what has been collected on each of these items he has purported to remove from the illegal tax, and exactly what he is proposing to do with the money that has been brought into the public treasury by his illegal act and which now, with the removal of the tax, certainly has less business staying there than it had to begin with, and that was none at all. I ask the minister if he will give the committee a clear picture in that regard. I am speaking now only of the amendment which has been proposed to the original resolution. I have something more to say on the resolutions as amended, but I am confining what I have to say now to the amendment. I ask the minister if he will give the committee a complete picture of what has been done or what is to be done with respect to the articles originally included in the list of November 17, but which since have been removed.

Mr. ABBOTT: I went into this in some detail one evening not long ago. I cannot give the date, because I have not had a chance to look at *Hansard* since my hon. friend commenced to speak, but in reply to a question by the hon. member for Muskoka-Ontario I gave the considerations which prompted me to remove the various specific articles from the list of those subject to tax. As to what was done when those were removed, of course that action followed repre-

sentations from those who were particularly interested; and the Department of National Revenue notified those interested in the trade of the proposed changes in the tax resolutions. I am informed that the manufacturers, who, after all, are the ones on whom the tax is imposed and who remit it to the Department of National Revenue, have, in order to protect their own position, taken appropriate credits in their monthly tax returns, or whatever it is, for any tax they may have collected. I am informed that is the case, by an official of the Department of National Revenue who is sitting before me at the moment. Of course I have not the figures in that regard. I shall inquire as to whether they could be made available; but, broadly speaking, that is the procedure which was followed. In most of these cases the tax was withdrawn before it had been paid to the department and passed on to the purchaser next in line, or so I am informed. Obviously the longer one waited to make changes, the more complicated the situation would become. I do not suppose my hon. friend wants me to repeat tonight the reasons I gave the hon. member for Muskoka-Ontario as to the broad principles which motivated our decision to remove certain articles from the proposed list.

Mr. FLEMING: I am not quarreling with the removal of those articles from the list. I do quarrel with the minister to this extent, however, that I wish he would go further and remove the rest of the articles; that is all I ask. But my question was directed toward the disposition of the moneys which have reached the hands of the department under a tax which was levied by ministerial action.

Mr. ABBOTT: The position is that manufacturers, who are the collectors of this tax, make monthly returns to the Department of National Revenue with respect to their excise tax liability. In cases where they would have remitted the tax on some pianos, let us say, to use that as an example, and then following representations it was decided that the tax was not going to be imposed, in their return for the following month they would take credit as against the gross tax liability for that month for the tax they had remitted the previous month with respect to three or four pianos, perhaps. That is the method which was followed. Or alternatively, it is pointed out to me, the manufacturer could make formal application for a refund.

Mr. FLEMING: Does that mean that the removal of the article from the list was dated back to November 17, in all cases?

Mr. ABBOTT: That is correct; in all cases. I am glad my hon. friend brought that out. It is just as though the tax never should have been collected.

Mr. THATCHER: Let us speak about the tax on sporting goods for a moment. On November 17 the minister put this tax on sporting goods, and about two months later took it off. I would like him to tell me exactly how the retailer could get that tax back to a person who bought sporting goods in the meantime. Every sale which is made does not show the name of the customer. Probably when a customer buys merchandise he tears up his sales slip, and there is no possible way in which the minister or anyone else can get the tax back to that consumer.

Mr. ABBOTT: I am informed that the retailer would apply to his wholesaler and the wholesaler to his manufacturer for a refund of that tax, and would receive it.

Mr. THATCHER: But the consumer has not the slip. He has torn it up, and it is absolutely impossible for the consumer to get the tax back, whether or not parliament passes this legislation.

Mr. ABBOTT: It is possible that in a limited number of cases the retailer will have derived a benefit. It is open to the consumer, if he sees fit, to go back to his retailer and say, "I bought a badminton bird," or whatever it was—and remember this tax did not cover all sporting goods—or "I bought a tennis racquet" or a golf club, "and I paid the tax. I want the tax back."

Mr. THATCHER: But he has not the sales slip for it.

Mr. ABBOTT: He would have to argue that out with the retailer. I say there would be relatively few cases—

Mr. THATCHER: There would be thousands and hundreds of thousands of cases.

Mr. ABBOTT: Hundreds of thousands? Nonsense.

Mr. BENTLEY: I want to follow this up, if I may.

Mr. ABBOTT: Go and see the retailer; that is my advice.

Mr. BENTLEY: All right; I am going to ask this question. A customer goes to see the retailer. I think the minister or anybody else will admit that, as the hon. member for Moose Jaw said, there will be thousands of these cases. It may be the fault of the purchasers; I am not going to argue that point

now. But there will be thousands of these cases, where individuals who purchased from retailers will have no documentary evidence upon which to make claims for refunds. If that is so, who owns that money?

Mr. ABBOTT: The position is this: I do not know whether the retailer charged the tax on stock on hand.

Mr. THATCHER: They did; I can tell the minister they did.

Mr. ABBOTT: Some did and some did not; because I have seen advertisements in papers with respect to some articles which are subject to tax, and those advertisements have stated, "On our stock in hand we are not charging the tax." Some retailers did and some did not. I do not quarrel with that, since the standard practice in connection with the imposition of a tax at this time is that the dealer can collect the tax with respect to stock which he has on hand; because, when the tax comes off, he is, of course, subject to whatever loss he may sustain. That is standard practice. But I have been told that in the case of this particular proposed impost it has not been the general practice of retailers to add the amount of the tax to the stock in hand. I have been told that that is so, and I believe that it is so.

In the case of the particular articles to which my hon. friend referred—sporting goods—that would apply to only a limited field. It applied to such things as tennis racquets and golf clubs, but it did not apply to articles for hockey, baseball or skating, or any of these other winter sports. So that I would doubt if there were any substantial amount of tax collected by retailers on sporting goods before the announcement was made that this tax was not to be placed on such commodities.

I know my hon. friend is in the electrical business, and he no doubt knows whether or not he collected this tax on the stock which he had in hand. I do not know whether he did or not, but I would not blame him if he did. If he did, that is all right; he knows that better than I do. I know some dealers did not.

Mr. CRUICKSHANK: I should like to get into this again, because I happen to be a customer of the hon. member for Moose Jaw. If my recollection serves me correctly, I understood the minister to say over the radio on November 18 that as of that date the tax became effective.

Mr. KNOWLES: Unconstitutionally.

Mr. CRUICKSHANK: I shall not argue that point now. But the minister did say that. I happened to be purchasing certain articles from my hon. friend from Moose Jaw.

[Mr. Bentley.]

Mr. THATCHER: And at wholesale, incidentally.

Mr. CRUICKSHANK: Well, I asked for it. Yes, I purchased it at wholesale. But that is all the more reason we should have price controls, because if the price I paid was wholesale, then heaven help the man who paid retail.

Mr. THATCHER: There was the eight per cent sales tax and the 25 per cent excise tax.

Mr. CRUICKSHANK: But, to be serious about the matter, I happen to be a friend of the hon. member for Moose Jaw. I go to him, and if he had to refund it, he would refund it to me. But, as he says, what about the young man in the middle of Saskatchewan? He has not the same chance, because he does not know the hon. member personally who sold the goods. I happen to know him, and he knows me; but he does not know all his customers.

I say it is most unfair; and it can be carried through in respect of many items, not just on one item concerning sporting goods. It can be carried through on the whole list of items. Either this tax is legal, and the federal government must stand back of it, stand behind it, or it is not legal. It is one or the other. If it was collected illegally, then in my opinion it is the responsibility of the federal government to see that it is refunded.

Then, as it is getting near eleven o'clock, there is one other thing I should like to say. It is all very well to say that these are small items, but the minister has not yet given me a satisfactory explanation. And, incidentally, I did not get this information until tonight, when I asked a boy to get me one off the table of the house. One is expected to put these amendments together tonight. I say, when a minister or anyone else brings in an amendment, every member of the house should have a copy of it, at least on the morning of the day it is to be introduced.

Mr. LESAGE: You had it for a week.

Mr. CRUICKSHANK: Listen, my young friend from Quebec, if you do as good a job in trying to attend to price control, and bring down the price of bread and other things, you will be doing a very good job.

I had intended to speak particularly about refrigerators. If the minister can change the rates simply by bringing in an amendment, I cannot see why he could not bring in an amendment which would concern refrigerators particularly. I refer to those which are operated by kerosene and gasoline in rural districts. It is all very well for those who have

the privilege of living in Westmount, or some such district as that. But those people who live in the rural parts of Canada do not have those privileges.

Mr. ABBOTT: Kerosene refrigerators are not taxable.

Mr. CRUICKSHANK: Thank you. I have done something tonight.

Mr. KNOWLES: I have a brief word to say. Once again tonight the Minister of Finance has tried—and unsuccessfully I think —to belittle the problem set forth by the hon. member for Moose Jaw, the hon. member for Grey North, and others, namely the difficulty of getting this tax, which was put on and then taken off, back to the purchaser of the goods. I suggest to the minister the fact that only a few may have been involved, or that it is only a few cents here and there, is not a satisfactory answer. What this whole thing does is to underline the fact that it was a bad piece of business to fly in the face of the constitution. I suggest again that the arguments which have been made from this side of the house and, in particular, against the way in which this was done, have been well taken. We have been attempting to get members of a Liberal government to have some respect for the constitution which, after all, does have some validity.

Mr. FLEMING: The minister indicated that certain wholesalers who had remitted the tax between November 17 and the date upon which the particular articles on which they paid it were removed from the taxable list, have made claims in one way or another for rebate. Could the minister give the total of those claims to date? I do not suppose for one moment that the list is complete, because delays in returns and in calculations are bound to occur. But it would be some guidance to the committee to know the total claims for refunds to date.

Mr. ABBOTT: I shall be glad to see what we can get on it. I do not wish to give too firm an undertaking because, for reasons which my hon. friend will appreciate, it may mean going through monthly returns from a considerable number of manufacturers and wholesalers to see what they had claimed by way of credits on their monthly statements, or specific claims for refunds. I shall ask the officials of the Department of National Revenue to see what information can be given.

For instance, the announcement was made with respect to electrical stoves on December 12, and I am informed that no tax was paid to the crown with respect to those particular articles, which were originally included in the list.

Mr. JACKMAN: The purchaser paid it, though.

Mr. ABBOTT: I doubt it. I am told by officials of the Department of National Revenue that few purchasers paid a tax on stoves.

Mr. FLEMING: I assume that when the original resolution was compiled and announced over the radio on November 17 there had been prepared by or for the minister an estimate of the revenue that was expected to be yielded by the 25 per cent tax on each of the items. Will the minister give to the committee the estimate for each item so that we may have some appreciation of the whole revenue picture?

Mr. ABBOTT: That question was asked before, again by the hon. member for Muskoka-Ontario, and I told him that I had asked the same question of my officials and was told that it was absolutely impossible to attempt to make any estimate of what the revenue would be from the imposition of this proposed new excise tax, particularly because the taxes were being imposed, not for the purposes of obtaining revenue but to discourage consumption. My officials told me that they could not give me anything which would be really an accurate estimate.

We were able to estimate with a considerable degree of accuracy the amount of revenue which would be lost as a result of eliminating the tax on the domestic consumption of electricity and the removal of the one cent tax on sugar. If my memory serves me aright the estimated loss in the full year from those two taxes was something around the order of $19,000,000.

It was pointed out to me that the restrictive program under schedule III of the emergency import control act had not been worked out at that time, so that it was not possible to say with any degree of accuracy how many of these articles would probably be produced in Canada during the coming year. Taking all these different factors into consideration, my officials tell me that they could not give me anything that would be even a reasonably accurate estimate of what the tax yield would be from the imposition of these proposed taxes, and therefore I am sorry I cannot give it to the committee.

Mr. MANROSS: Organs are not mentioned in this amendment, so that I suppose the tax has been dropped?

Mr. ABBOTT: That is right. It was really off early in the game.

Mr. MANROSS: I would not be a bit encouraged over the minister saying that kerosene refrigerators are not mentioned in this tax. There is no tax on kerosene refrigerators because they are prohibited under schedule I.

Mr. ABBOTT: I have told hon. members that the question of whether a quota can be placed on those articles is now receiving serious consideration.

Mr. MANROSS: If a quota is given they will not be taxed?

Mr. ABBOTT: That is correct.

Mr. MANROSS: If we pass this amendment to the resolution tonight could we have a re-written resolution when we come back at this thing tomorrow?

Mr. ABBOTT: Earlier in the game I did provide a consolidation of the resolution in mimeographed form. That included the amendments. However, we have been taking this resolution in bits and pieces and I am afraid the original supply may have been exhausted. I will see that copies of the consolidation are made available.

Mr. MANROSS: I have the original one.

Mr. ABBOTT: The mimeographed copy is a consolidation, including the amendment.

Mr. HERRIDGE: I realize the task the minister has in attempting to conserve foreign exchange and I am not going to discuss the constitutional aspects of the matter. However, I submit that there is an element of discrimination in this act in addition to the one mentioned by the hon. member for Fraser Valley. The minister has said that the purpose of these excise taxes is to slow down consumption.

Mr. ABBOTT: One of the purposes.

Mr. HERRIDGE: I think it is logical to assume that it is the consumption of the lower income groups that will be slowed down to the greatest extent. It will not slow down the consumption of the middle-income groups or of well to do people. They will buy refrigerators and other things as they wish, but we shall be slowing down the consumption of the majority of the veterans in this country and the consumption of the majority of the lower paid working people. Does the minister not consider that to that extent these taxes are a discrimination against a large number of veterans and against a large section of the working classes of this country? Second, has consideration been given to a system of rationing to make it possible for these commodities to be distributed at least fairly?

[Mr. Manross.]

Mr. ABBOTT: I suppose any tax of this kind is bound to involve some measure of discrimination; it is inevitable that it should. My hon. friend is perfectly correct in saying that the well-to-do and the wealthy will be able to go ahead and buy refrigerators in spite of the tax. But they will pay the tax, and the lower income group will have kept their money and will be able to buy refrigerators a little later on when they are not as expensive to the extent of 25 per cent.

An hon. MEMBER: When will that be?

Mr. ABBOTT: I cannot say when that will be. This is the adoption of a fiscal measure in order to reduce consumption. As I said the other day, I think a valid criticism which might be directed at this tax is that it does not cover a great enough field of commodity and that it has singled out certain commodities which perhaps—I do not admit this—it is unfair to single out. To that degree there may be some discrimination. To some extent I am a believer in the fiscal method of accomplishing these things rather than in an attempt to set up a rationing system whereby one tries to determine, by the decision of some body here in Ottawa or of some official in Vancouver or somewhere else, who will get a refrigerator, who will get an iron and so on.

Mr. KNOWLES: That is exactly what you are doing.

Mr. ABBOTT: My hon. friends may interrupt and interject as much as they like, but I assert again that the fiscal method is a well-recognized method of accomplishing what we have in mind. It is a method which is accepted and approved by some of the ablest economists in this and any other country, and they are not socialists or followers of any other kind of ism. I assert today, as I did yesterday, that this is a perfectly well-recognized, legitimate method of reducing consumption for the purposes which I indicated yesterday, namely, creating an over-all current account surplus.

Mr. JACKMAN: If you believe that, why did you not devalue?

Mr. ABBOTT: The hon. member may make his own speech when he gets a chance.

Mr. MACDONNELL (Muskoka-Ontario): The minister has said that this was in part for the purpose of cutting down consumption, but I notice that he stated earlier in the

evening that Canadian radio purchases, or, at any rate, production was still at the highest level.

Mr. ABBOTT: I do not know that; I am informed that it is.

Mr. MACDONNELL (Muskoka-Ontario): That raises a question which I think is important. Will the minister let us know just what indication there is to date as to whether the tax is having that effect? I know the minister will say that in a general way it is bound to have some effect, but I think we have a right to ask how much effect can be ascertained up to the present time.

I want to come back to what the minister said as to the main purpose of this tax, because I think we are apt to forget it. The minister said in his opening speech that the main purpose of the new excise taxes was to save United States dollar exchange. We have had nothing up to the moment to show how much dollar exchange has been saved, and I submit that that is a thing on which we should try to get whatever information is available before we take a vote on this measure.

In the first place, it seems to me the minister should tell us how much of the taxes, the figures of which he gave us earlier in the evening, were levied on United States parts. I take it from what the minister said that the only effect which this measure has, as distinct from Bill No. 3, the embargo measure, on the saving of United States exchange, is on the importation of parts, and in order to find out what the saving is on parts may we know what amount of tax has been collected on these parts since the measure came into effect; what was the amount of parts coming in before that time, and particularly what tax has been levied, so that we can in that way get at the amount which is being saved?

Mr. ABBOTT: I gave the estimated amount of tax which had been collected on radios, among other things, as the result of this proposed tax. There is no tax imposed on parts as such but on the finished radio set, on the manufacturer. For the reasons I have given earlier I cannot say what the effect of this particular section of our over-all program to conserve dollars has had, but, as I told the committee the other evening, our reserves of United States dollars at the end of February were $527 million as against $514 million at the end of January, and that is exclusive of the $50,000,000 we have drawn from the export-import bank loan. I think, with due reserve—and I am essentially conservative in these estimates—the program in its over-all aspects seems to be accomplishing the purposes we had in mind. We are not only holding the line but, instead of dropping $70,000,000 to $75,000,000 a month of United States exchange we were in February $13,000,000 up. I do not attach too much importance to that. I know that inventories were built up and the pipelines were full, and I say frankly that the results so far are better than I expected. I do not know whether it will last indefinitely. I would expect perhaps to see a downward trend, nevertheless in its over-all effect the program is doing what we set out to do. I cannot tell the committee what part is due to the discouragement of consumption as a result of the proposal to impose this tax, or what part is due to prohibitions on imports, or what part is due to quotas, or what part is due to the discouragement of capital investment under schedule III. I cannot break it down that way, and I do not think anybody else can. I can only give to the committee the over-all results to date. I should like to give my hon. friend further information but I just cannot do so.

The DEPUTY CHAIRMAN: I wonder if the committee would agree to carrying the amendment tonight?

Some hon. MEMBERS: No.

Mr. KNOWLES: May I suggest on the question you have just asked, Mr. Chairman, that possibly if the minister would place on *Hansard* in consolidated form the original resolution as amended the committee might accept it.

Mr. ABBOTT: It will be available tomorrow.

Mr. KNOWLES: It ought to be on *Hansard*.

Mr. ABBOTT: It would have to be by consent of the committee. I have to move an amendment to the original resolution which I moved on December 19, but I think it would be of great convenience to the committee to have placed on *Hansard* tonight the consolidated resolution which incorporates the changes and deletions. I would be very happy to do that, because I think it would facilitate discussion.

Mr. MACDONNELL (Muskoka-Ontario): I had not finished my question. I want to read to the minister one thing he said, because I do not think he has given me his final answer. Referring to the goods excluded, he said on December 16, as reported at page 336 of *Hansard*:

> The import of practically all these goods in finished form has been prohibited or placed

under quota restrictions and substantial savings in United States dollars are expected to result from this action.

Then he goes on:

The savings, however, would be considerably reduced if domestic production of the same type of articles were to expand to fill the gap in the supply, since this would involve further substantial imports of parts and components.

The amount of United States parts that goes into these goods is perfectly well known. The figures are available. They may not be easy to get, but this was put forward as the main feature of this measure, and surely it is not too much to ask for this information.

Mr. ABBOTT: We can possibly get the amount of radio parts imported and probably automobile parts; but when we get down to which part of an electric toaster is imported, I do not know, even if we had the information, just what practical advantage it would be. However, I shall ask my officials to try to get whatever information can be obtained as to the importation of parts of articles which are subject to this tax. I want to add this, that even if an article does not contain one cent's worth of imported content the chances are that it does contain metal, such as aluminum or copper or something else, which we could export to dollar markets and sell for dollars. In addition, I suggest that the consumption of these articles should be reduced.

Mr. MACDONNELL (Muskoka-Ontario): I want to complete my question.

The DEPUTY CHAIRMAN: I want the permission of the committee to do two things. In the first place, has the minister leave to put the proposed amended resolution on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. ABBOTT: It is as follows:

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. Effective on and after November 18, 1947, an excise tax of 25 per cent is imposed on the following goods:

(a) The following electrical appliances: waffle irons; roasters; kettles; chafing dishes; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs, hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; garbage disposal units;

(b) The following electrical appliances when adapted to household use: food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;

(c) Electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; all the foregoing when adapted to household or apartment use or when

[Mr. Macdonnell (Muskoka-Ontario).]

for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs;

(d) Firearms except for military or police purposes;

(e) Outboard motors;

(f) Motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles specially designed for carrying goods or for use by invalids;

(g) Projectors for slides, films or pictures designed for industrial or professional photographers' use;

(h) Toilet articles of all kinds (including combs, mirrors and brushes other than tooth brushes or shaving brushes the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than twenty-five cents each) and which items do not already come within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent; over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1847, the excise tax of one cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

The DEPUTY CHAIRMAN: The hon. member for Brant has been trying to get to his feet and I should like to give him that opportunity.

Mr. CHARLTON: Thank you, Mr. Chairman. The minister said some time ago that he did not blame retailers for collecting the tax on all inventory stock. Am I to assume from that, that a retailer who had a stock of radios would be able to collect the tax on a radio and stick the tax in his pocket and not send it in to the dominion treasury? By the same token, would a man who had a $4,000 car in stock on November 16 be able to collect in the same way $3,000 as a pure profit? Is that right?

Mr. ABBOTT: That is right, and that is standard tax practice. When a tax is imposed in this way there is no refund made to a retailer if the tax is taken off. If his stock consists of tax-paid inventory and the tax is taken off, the automatic effect is that the value of his inventory falls by the amount of the tax. So what the dealer gains when the tax is put on he loses when the tax comes off. That is standard tax practice. It has been the practice in this country ever since tariffs and taxes were imposed, that the holders of inventories benefit when a tax is put on and lose when a tax is taken off. I have had delegations come to see me within the last two months from wholesale grocers in connection with the removal of the tax on sugar. They say that they have had substantial losses by the removal of the one cent tax on sugar. With a sympathetic look on my face I had to tell them that that is unfortunate, but that is what happens when a tax comes off. They gain when the tax goes on but lose when the tax comes off.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: It is the intention to call tomorrow resolution No. 3 on the order paper today, dealing with the Geneva trade agreement, for the purpose of referring it to the committee on banking and commerce.

Mr. BRACKEN: That is, without approving it at this stage?

Mr. ST. LAURENT: With nothing more than merely referring it to the committee on banking and commerce, hoping that further debate upon it can be had when the information will have been obtained in the committee on banking and commerce. Then the Minister of Justice would like to move his resolution, which is No. 17 on the order paper, having to do with the bill to provide for the continuation of certain orders and regulations of the governor in council for a limited period, and to make a statement as to what there is left to which the bill will apply, so that over the week-end members may have that information and know just to what extent this bill for prolonging the emergency powers would go. He would hope that the resolution might be adopted and that the debate upon the propriety of continuing some or all of these measures could be had after the bill is distributed. But even if that were not possible tomorrow afternoon, if the house were not prepared to adopt the resolution after short debate, the debate might be adjourned; but hon. members would have on *Hansard* the minister's statement as to what the bill will refer to. Then we shall proceed with the second reading of the bill to amend the wheat board act and, after that, return to the resolution dealing with these excise taxes.

Mr. BRACKEN: With respect to the wheat board act, I understand that the minister is having that brought forward in divided form.

Mr. ST. LAURENT: My understanding is that it will have to proceed to second reading and in committee of the whole in the form in which it is. The question of procedure is being considered by the minister and by the Clerk, but it seems that the only way to get the benefit of what has been done up to the present time will be to strike out of that bill the part which deals with coarse grains and carry it on only with the remaining provisions, and introduce another bill to deal with coarse grains. That is something which could be done in committee of the whole. In committee of the whole the new part dealing with coarse grains would not be passed and the bill would be reported without that part, so that it could go forward and be adopted without undue delay.

Mr. BRACKEN: The minister has said that the resolution moving discussion of the Geneva trade agreements will be brought forward tomorrow in order that it may be referred to the committee before being approved by the house?

Mr. ST. LAURENT: Yes.

Mr. BRACKEN: And then come back to the house. Is the minister in a position to say he will do the same thing with the resolution with respect to the exchange of letters regarding the abandonment of the British trade preference?

Mr. ST. LAURENT: No. I am not in a position to say that, and I can say that it is not regarded as being as urgent as the others.

It being seven minutes after eleven o'clock, the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, March 12, 1948

The house met at three o'clock.

HONG KONG

DREW LETTER—QUESTION AND ANSWER IN BRITISH HOUSE OF COMMONS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in view of some of the doubts expressed and implications made, which are recorded in *Hansard,* as to statements of mine concerning communications between the Canadian government and the United Kingdom government respecting publication of the letter known as the Drew letter and the refusal of the United Kingdom government to allow the publication of certain telegrams exchanged between the United Kingdom and Canadian governments in 1941, I am sure hon. members will wish to have the following information on an exchange of question and answer which took place yesterday in the United Kingdom House of Commons. In justice to myself I feel this question and answer should also be recorded in *Hansard.*

The question appeared in the name of Mr. Quintin Hogg, Conservative M.P. for Oxford City. The text of the exchange is as follows:

Question: "Mr. Hogg to ask the Secretary of State for Commonwealth Relations what communications have passed between the Canadian and British governments relative to the publication of letters known as the Drew (Premier Drew of Ontario) letters concerning Canadian troops at Hong Kong and if he now agreed to their publication."

Answer: "There has been no correspondence between His Majesty's government in Canada and the United Kingdom about publication of letters from Colonel Drew to which the honourable member (Hogg) refers.

"The Canadian government inquired whether they might publish certain telegrams exchanged between the United Kingdom and the Canadian government in 1941 relating to the dispatch of Canadian forces to Hong Kong and to the situation in the Far East at that time.

"We replied agreeing to the publication of those telegrams which related to the dispatch of troops but we said that we felt unable to agree to the publication of telegrams relating to the international situation.

"Such telegrams are framed on the basis that they will not be published and the whole system of full and frank communication between His Majesty's governments would be prejudiced if telegrams of this nature had to be prepared on the basis that this rule might not eventually be observed.

"The question was very carefully examined at the highest level and the United Kingdom regret that they cannot reconsider their decision."

TARIFFS AND TRADE

REFERENCE OF SUBJECT MATTER OF GENEVA TRADE AGREEMENT TO BANKING AND COMMERCE COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): It was announced last night, Mr. Speaker, that the first order to be called today would be the one which appears as No. 3 on the order paper with respect to the Geneva agreement. The purpose of calling that order today was to enable the subject matter of the trade agreement to be referred to the banking and commerce committee. The procedure in the house has always been to pass the second reading in the first instance, before assigning a bill by direction of the house to one committee or another. But hon. gentlemen opposite expressed the view earlier that it would be helpful if, before being asked to vote on the second reading, the subject matter could be referred to a committee, and the committee on banking and commerce was the committee agreed upon.

I just wish to point out, in order that this will not become a precedent, that it is quite exceptional to refer the subject matter of a resolution to a committee before the resolution itself has been voted upon. In order that the matter may be proceeded with in a regular way I would move, seconded by the Secretary of State for External Affairs (Mr. St. Laurent), the following motion, which serves the same end:

That the subject matter of the general agreement on tariffs and trade, including the protocol of provisional application thereof, together with the complementary agreement of October 30, 1947, between Canada and the United States of America, be referred to the standing committee on banking and commerce.

This is not a resolution and therefore no notice is required; if carried it will be an order of the house. But hon. members will see that it is to carry out the purpose that was intended, namely, to enable the house to have the subject matter of this agreement referred to the banking and commerce committee.

Mr. JOHN BRACKEN (Leader of the Opposition): If it is in order to deal with this matter now, Mr. Speaker, I should like to make a very brief comment.

Mr. SPEAKER: The motion is debatable.

Mr. BRACKEN: My understanding is that if this motion is adopted it carries with it neither approval nor disapproval of the details of the resolution itself?

Mr. MACKENZIE KING: That is correct.

Mr. BRACKEN: Our interpretation of the motion is that the resolution will be referred to a committee, there to be considered and sent back either with or without some recommendations, and that when it comes back to the house we will be free to deal with it as we choose. If that is the purpose of this motion, if that is what is to be accomplished, we will offer no objection at this time. But we want to reserve our right to take any attitude that seems necessary when it comes from the committee back to the house for further consideration.

Mr. MACKENZIE KING: May I explain the position exactly to my hon. friend. The motion is not to refer the resolution to the banking and commerce committee. It is to refer the subject matter of the resolution, which is the Geneva trade agreement, to enable the banking and commerce committee to call before it experts or anyone it may wish to call to give the committee such information as it may wish to have. When the committee has all the information it wishes on the subject matter of the trade agreement, then the resolution which is on the order paper, and which meanwhile will remain there as it is, will come up for debate in the house. The committee cannot change the terms of the agreement, but in committee an opportunity would be afforded to look into the details of the agreement.

Mr. COLDWELL: As I understand it, this is an international agreement between various countries of the world. As such I presume the house has to accept or reject it.

Mr. MACKENZIE KING: That is right.

Mr. COLDWELL: Is not the purpose of referring the subject matter to a committee to enable all the points to be elucidated?

Mr. MACKENZIE KING: That is it.

Mr. COLDWELL: In order that members of parliament may understand them, so that we may either vote for or against the resolution?

Mr. MACKENZIE KING: That is the purpose.

[Mr. Mackenzie King.]

Mr. COLDWELL: That is my understanding.

Mr. MACKENZIE KING: That is correct.

Motion agreed to.

WHEAT BOARD ACT

COMMUNICATIONS FROM WESTERN PROVINCES AS TO COMPLEMENTARY LEGISLATION

On the orders of the day:

Mr. G. H. CASTLEDEN (Yorkton): I should like to ask the Minister of Trade and Commerce whether any communication has been received as yet from the government of Alberta or of Manitoba as to their readiness or intention to pass legislation with respect to the Canadian wheat board which would be complementary to the bill now before this house.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): A communication has been received from Alberta, not from Manitoba.

BUSINESS OF THE HOUSE

SUGGESTED CONFERENCE WITH RESPECT TO EMERGENCY LEGISLATION AND EASTER RECESS

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister? In view of the number of items of business of an emergency character which have to be concluded before the end of March, and in view also of the general desire of hon. members for a little longer Easter recess than is indicated in the Prime Minister's motion—

Some hon. MEMBERS: Hear, hear.

Mr. KNOWLES: Incidentally I note that the Prime Minister himself is to be in Virginia on April 2—would the Prime Minister consider calling together the leaders and whips of the various parties at this time to see whether arrangements can be made to get a certain amount of business through, and thus make possible a longer recess?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have had the opportunity already of speaking to two of the leaders and saying I would like to have a word with them very shortly on the business of the house. This afternoon I hope to have a chance to speak to the other leader, to whom I have not spoken, and will indicate to him the same wish. I would hope to have a meeting with the three leaders today or possibly on Monday. As to a meeting of the leaders and whips, I think it would be preferable that I should

meet with the leaders to see if we can arrive at some appropriate arrangement, and later the whips might confer to see if they can carry out any plan that may be agreed upon.

VEGETABLES

STATEMENT WITH RESPECT TO IMPORTATION BY AIR FROM THE UNITED STATES

On the orders of the day:

Hon. DOUGLAS ABBOTT (Minister of Finance): Yesterday in my unavoidable absence the hon. member for Regina City (Mr. Probe) asked whether I was aware that certain fresh vegetables now banned from import to Canada from the United States were being flown into Canada daily from California by commercial aircraft and, if so, would I explain to the house why those vegetables were being permitted entry when ordinary bulk vegetables such as lettuce and celery were barred from import into Canada.

I am familiar with the situation, which is as follows. Fresh vegetables in their natural state have been placed on the prohibited list, of course with the exception of cabbage, carrots, potatoes and onions, under tariff item 87, which reads, "vegetables, fresh, in their natural state". Vegetables, fresh, in other than their natural state, that is to say cut up in any way, are classified under tariff item 711, and are permitted entry without permit. I have been informed that importers are now taking advantage of this tariff item and are importing in growing volume salad greens, that is vegetables cut or shredded, consisting of almost every variety of vegetables, as of course they are entitled to do. In order to maintain the ban on the importation of fresh vegetable salads I am recommending that order in council P.C. 4678 and Bill No. 3 be amended to include in the prohibited list cut or shredded vegetables classified under tariff item 711.

LOANS TO OTHER COUNTRIES

INQUIRY AS TO AMOUNTS NOT REPAID

On the orders of the day:

Hon. DOUGLAS ABBOTT (Minister of Finance): The other day the hon. member for Kamloops (Mr. Fulton) asked a question about the repayment of certain Canadian loans and credits to foreign countries, and I apologize for not having answered the question before today. The situation is that all these loans are made under contracts, the terms of which call for repayment; and as Minister of Finance of course I expect that those contracts will be fulfilled. It is obvious to anyone, I suppose, that there are risks involved in loans of this kind, and one would be showing a false sense of optimism if one expected there would be no losses before these loans were repaid. Members of the house will recall that we have set aside some $25,000,000 each year out of current revenue to build up a reserve against assets of this kind, and of course that reserve is available.

Mr. SMITH (Calgary West): The Minister of Agriculture does not agree with you, does he?

Mr. FULTON: May I ask the Minister of Finance a supplementary question arising out of the statement he has just made? In view of the statement made by the Minister of Agriculture (Mr. Gardiner) on February 27 that everyone in the house knows that a "considerable part" of the loan is "never going to be paid back", I should like to ask the Minister of Finance if he would be willing to let us have a further statement which would better reconcile the statements of the two ministers.

Mr. ABBOTT: I do not know that I have anything to add to what I said a minute ago.

REPORTS AND PAPERS

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, I wish to table P.C. 637—

Mr. CRUICKSHANK: Louder.

Mr. MITCHELL: It is enough to have one loud-voiced person in the house. I wish to table P.C. 637 and P.C. 804, orders in council dealing with the Japanese in Canada.

UNITED NATIONS

TEMPORARY COMMISSION ON KOREA—ACTION OF CANADIAN DELEGATE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, has the Secretary of State for External Affairs any further information to convey to the house with respect to our position concerning the interim commission on Korea? When I asked the question earlier in the week he could not give full information; perhaps he could do so now.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am not yet in receipt of full information, although additional information was obtained by telephone communication with Canada's representative, Doctor Patterson. That is to be followed up by a dispatch which has not yet come to my

desk, and which had not reached the Department of External Affairs before eleven o'clock this morning. I am in a position to say, on the information obtained over the telephone, that there was no walk-out. The matter of the election was being discussed and at a given moment Doctor Patterson, for reasons that can be understood, retired for a few minutes and then came back while the meeting still continued. The fact that he had been out for a few moments was described by newspapermen as a walk-out. That was not so.

Mr. GRAYDON: I suppose that can be referred to as an unofficial walk-out.

Mr. ST. LAURENT: Certainly one that had no international connotation.

CZECHOSLOVAKIA

INQUIRY AS TO CANADIAN LOAN

On the orders of the day:

Mr. W. R. THATCHER (Moose Jaw): Mr. Speaker, on March 2 I asked the Secretary of State for External Affairs what was going to be done with the balance of the Canadian loan to Czechoslovakia. Can he tell us that now?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): There have been no advances made on the Czechoslovakian loan over the last three or four weeks, and no question of further advances has been raised.

Mr. THATCHER: Can the minister say whether the credits under the loan have been frozen by the Canadian government?

Mr. ST. LAURENT: We have been having some pretty cold weather, and I do not think there is apt to be very much change at an early date in the international atmosphere in that regard.

HOUSE OF COMMONS

AUDIBILITY OF DEBATE AND PROCEEDINGS

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask a question of the Minister of Labour. In view of the fact that some gentlemen are paid $18,000 a year to tell the house and the press gallery what is going on, is any provision being made for the amplification of speeches so that we can hear the mumbling that goes on in this chamber?

[Mr. St. Laurent.]

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Right Hon. J. L. ILSLEY (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war.

Mr. KNOWLES: Will the minister make a statement now?

Mr. ILSLEY: I believe it would be more appropriate if I were to make it in committee.

Mr. GRAYDON: Why would it be more appropriate?

Mr. IRVINE: Would the minister tell us what is before the house? We cannot hear.

Mr. CRUICKSHANK: They are just mumbling among themselves down there.

Mr. ILSLEY: It is item No. 16 on the order paper.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

The DEPUTY CHAIRMAN: Shall the resolution carry?

Mr. ILSLEY: No; I should be very glad to have it carry, but I think I should say a few words about it, mainly for the information of hon. members.

I do not think the house will oppose the passage of this resolution in the terms in which it is drafted. The resolution states that it is expedient to introduce a measure to provide for the continuation of certain orders and regulations of the governor in council for a limited period during the national emergency arising out of the war. I believe there would be general agreement among members of the committee that some of the orders in council validated by legislation last year, and which have force until March 31 this year, must continue for a while at least after March 31, 1948.

The bill to be introduced will propose the continuation of the orders in council in force at the present time until March 31, 1949. It will not refer to the orders in council at all, but will be a bill for the continuation of and to amend the measure, so that instead of an expiration date of March 31, 1948, as it now

appears, the date of expiration of the measure will be March 31, 1949. There will be a provision, such as is found in the measure, for a further continuation for one additional year by address of the senate and the House of Commons, followed by an order in council, if that is felt desirable. That is the section contained in the present bill.

Mr. BENTLEY: Why did the minister not do that before Christmas, when we asked him to do it, and save all this time?

Mr. ILSLEY: I do not think it would have saved time. As the situation developed before Christmas, perhaps it would have been the right thing to do; but we thought we had some sort of understanding with the leaders of the other parties that there would be a very short debate before Christmas on the basis that the orders in council would merely be continued until March 31, 1948. A long debate ensued, occupying a large part of the pre-Christmas session, and excluding the legislation we really wanted to pass during that period. Perhaps in the end it would have been all right to do the other; but that was not the understanding on which a great many members in the house felt they should desist from any discussion of the measure. If we had proposed that before Christmas we would have invited discussion of the orders in council themselves. Those orders in council were not discussed at all in the debate before Christmas. In that debate hon. members confined themselves to general principles.

Mr. COLDWELL: Is the minister sure there was a meeting of the leaders of the groups at which an extension to March 31 only was discussed? I do not think such a meeting was held.

Mr. ILSLEY: I do not think there was a meeting.

Mr. KNOWLES: I think the minister assumed that there would be less trouble for three months than for the full year.

Mr. ILSLEY: I understood that certain leaders at any rate intimated that if it were merely an extension until March 31 there would be no exception taken because it would have gone on anyway to March 31 if we had not called parliament in December. We would have departed entirely from the spirit of that whole arrangement if we had branched out into a discussion of this measure as a measure for another year which would have involved an examination of the orders in council themselves. I think there will be general agreement that some orders in council must be extended beyond March 31 of this year.

Mr. LOW: Such as?

Mr. ILSLEY: Such as the orders relating to price control, rent control and eviction control. There are others, but I shall come to them later. For the information of hon. members I think I ought to say just what orders are extant at the present time and just what orders are revoked at the present time. I ought to give the members of the committee an indication of where they can get further and full information as to the terms of the order in council that really will be extended.

Mr. LOW: That is what we need.

Mr. ILSLEY: Yes. Last year a list of fifty orders in council was appended to the Continuation of Transitional Measures Act, 1947. Of those, twenty-three have been wholly revoked since the passage of the act. Twenty-seven orders in council remain in force, but some of them have been partially revoked. This afternoon I should like to place on *Hansard* the details of what orders in council have been revoked and what orders in council are still extant. I think I shall have to do this by reading. It will be dry and it will take quite a lot of time, but I think the information should be put on *Hansard*.

Mr. LOW: We can take it; we are used to that.

Mr. ILSLEY: All right. The following are the orders in council which appeared in the schedule to the Continuation of Transitional Measures Act of last year which have been completely revoked.

Department of Agriculture. P.C. 5424 of 1944—I should say at this stage that in the material which I shall place on *Hansard* the exact dates of the order in council are given and the exact dates of revocation, but in reading I shall refer only to the year in order to save time.

Mr. MacNICOL: Would it not help to mention what each order refers to?

Mr. ILSLEY: Department of Agriculture. P.C. 5424 of 1944, agricultural food board regulations respecting recovery of subsidies; revoked by P.C. 5040 of 1947. P.C. 6759 of 1945, repayment of subsidy (agricultural products) regulations; revoked by P.C. 5040 of 1947.

Civil service commission. P.C. 8541-½ of 1941, preference respecting appointment to civil service, ex-servicemen of present war, as

amended by P.C. 4320 of 1945; revoked by P.C. 4632 of 1947. P.C. 15/1647 of 1945, veterans preference respecting appointments to the civil service, service on the high seas in a sea-going ship of war; revoked by P.C. 4632 of 1947. P.C. 16/1647 of 1945, veterans preference respecting appointments to the civil service, not applicable to certain classes in naval forces; revoked by P.C. 4632 of 1947.

Mr. BROOKS: The reason for revoking these is that they are now incorporated in certain acts?

Mr. ILSLEY: So I believe. The next is P.C. 20/6173 of 1945, civil service war service preference, certain persons excluded, as amended by P.C. 29/1046 of 1946; revoked by P.C. 4632 of 1947. P.C. 30/7500 of 1945, veterans preference respecting appointments to the public service, as amended by P.C. 19/3727 of 1946; revoked by P.C. 4632 of 1947.

Department of Finance. P.C. 394 of 1942, anthracite coal, importation exempted from customs duty, as extended by P.C. 3472 of 1942; revoked by P.C. 5085 of 1947. P.C. 9058 of 1942, bagging material, et cetera, importation exempt from customs duty; revoked by P.C. 5085 of 1947. P.C. 6497 of 1943, ration coupon banking, as amended by P.C. 626 of 1944; revoked by P.C. 498 of 1948.

Department of Fisheries. P.C. 6289 of 1943, regulations for control of salt fish and appointments thereunder; revoked by P.C. 4976 of 1947.

Department of Mines and Resources. P.C. 7167 of 1943, reserves to the crown radioactive substances in Yukon territory; revoked by P.C. 5282 of 1947. P.C. 7168 of 1943, reserves to the crown radioactive substances in Northwest Territories; revoked by P.C. 5282 of 1947.

Department of National Defence. P.C. 6638 of 1945, post-discharge benefits to the members of the armed forces serving in an interim force; revoked by P.C. 5085 of 1947. P.C. 3617 of 1946, naval, military and air force estates regulations, 1946; revoked by P.C. 5005 of 1947. P.C. 349 of 1947, regulations respecting claims by or against the crown involving members of the naval, military or air forces of Canada overseas; revoked by P.C. 5005 of 1947. P.C. 363 of 1947, consolidated regulations respecting salvage services by H.M.C. ships; revoked by P.C. 5005 of 1947.

Department of National Health and Welfare. There are four orders in council referring to old age pensions.

Department of Transport. P.C. 3396 of 1946, merchant seamen out of work allowance regulations: revoked by P.C. 4939 of 1947. P.C. 133/510 of 1944, compensation to seamen, war damage to effects, regulations 1939, as amended by certain orders in council mentioned here; revoked by P.C. 498 of 1948. Those complete the list of revocation.

Now come the partial revocations. P.C. 5518 of 1943, repayment of subsidy order; order amended by P.C. 4815 of 1947 which revokes subsections (2) and (3) of section 4 and renumbers subsections (4), (5) and (6) as (2), (3) and (4) respectively. I think it is incorrect to say "amended by." There is really no power of amendment. It should be "partially revoked by."

Department of Fisheries. P.C. 251 of 1942. fishing licences prohibited to persons of Japanese racial origin; revoked as of April 1, 1949, by P.C. 804 of 1948.

Department of Labour. P.C. 946, 1943, evacuation and relocation of persons of the Japanese race in Canada, as amended by certain orders described here, paragraphs (ii) of (vii) of subsection (1) of section 3, revoked by P.C. 804 of 1948. Total revocation as of April 1, 1949, by P.C. 804, 1948, and P.C. 7355 of 1945, being financial assistance to voluntary repatriates to Japan and liquidation and transfer of their assets to Japan as amended by P.C. 268, January 23, 1947, amended by P.C. 637 of 1948, revoked, except in so far as it affects or relates to persons who, having made a request for repatriation, have proceeded to Japan prior to December 5, 1947.

Mr. NICHOLSON: Has the minister the dates for the last orders in council?

Mr. ILSLEY: I said 1948, but the exact date is the 2nd day of March, 1948.

Mr. KNOWLES: The minister indicated that P.C. 946 has already been made the subject of final revocation as of a date he gave?

Mr. ILSLEY: Yes.

Mr. KNOWLES: What is the date?

Mr. ILSLEY: April 1, 1949.

Mr. KNOWLES: It should have been sooner, but it is good to see it go. These are the orders in council tabled today by the Minister of Labour?

Mr. ILSLEY: Yes. If hon. members wish to get full information about these important orders in council they may get it from the copies of the orders in council that were laid on the table today by the Minister of Labour. He tabled two orders in council which have the effect that I have briefly described in the information I have given to the house, and I understand that if members desire further copies they are obtainable from the privy council office.

I have given the orders in council that have been revoked, those that have been revoked wholly and those that have been revoked partially. I have a list of the orders in council which remain, and with the consent of the committee I will put them on *Hansard* without reading them, because that is tiresome.

Mr. KNOWLES: Those are the ones in which no changes have been made?

Mr. ILSLEY: Those in which no changes have been made.

The DEPUTY CHAIRMAN: Has the minister leave to put the list on the record?

Some hon. MEMBERS: Agreed.

Mr. ILSLEY: It is not quite right to say that they are the ones in which no changes have been made. The ones that have been partially revoked will be part of the orders in council still operative, and those are in this list that I am about to place on *Hansard*. My suggestion would be that if hon. members have the office consolidation of the orders in council of last year they can easily, with the information I am giving the committee this afternoon and placing on *Hansard*, go through it and with a lead pencil prepare a complete statement of exactly what is being continued. Hon. members will probably have to have last year's act before them.

Mr. KNOWLES: With respect to the list the minister is placing on *Hansard* now, of orders in council still in effect, does it include P.C. 1665 under the department of the Secretary of State, administration by the custodian of property of persons of the Japanese race? There has been no change in that as yet?

Mr. ILSLEY: No.

Mr. KNOWLES: And is the same true of P.C. 469?

Mr. ILSLEY: Yes, the same is true.

I have not very much more to say at this time. I hope that the resolution will go through this afternoon, without much discussion, because I think that this is one of the occasions when the house can save time. I say that because it will give me an opportunity to introduce the bill and hon. members will have before them all the information that is important. Then when the bill comes on for second reading the principle can be discussed. The house can take such action as it sees fit with regard to them.

Mr. KNOWLES: May I say a word with regard to the procedure suggested by the Minister of Justice? I agree as to the desirability of having discussion in as few stages of the debate as possible, but it seems to me a difficulty arises and we must have some undertaking as to how we shall deal with it. Last year when the bill was before us the schedule to the bill included a list of all orders in council covered, which meant that when we got to the schedule we could express our views regarding individual orders, and in some cases we moved amendments or forced a vote to try to delete them, whether we were successful or otherwise. But this year the minister indicates that the bill he will bring in, based upon this resolution, is a very simple one which merely changes the expiry date—

Mr. ILSLEY: That is right.

Mr. KNOWLES: —in the act that is now on the statute book. I can see a member attempting on the second reading of the bill to discuss the orders in council having regard to the Canadians of Japanese origin, and being told by Mr. Speaker that that is pretty far afield from the general principle of the bill and that we cannot do it on second reading, and then when we get into committee on the bill these individual items will not be before us at all. All we shall have is one or two sections of the bill. I am prepared to leave the discussion to the second reading of the bill or in committee on the bill. As a matter of fact, the committee stage would be better because we could have a back-and-forth discussion with the minister. But I would not want to let this stage go by unless we have an undertaking from the minister or the chairman that at some future stage we can go into details if we wish.

Mr. ILSLEY: I have not consulted with the Chairman or with the Speaker, but I foresaw exactly the situation that my hon. friend has outlined and I will take no exception. In fact, I will favour the course of action I am now about to describe, that is to say, that members will be free in committee on the bill to discuss any of these orders in council. And moreover, they will be free, so far as I am concerned, unless I am prevented in some way by the rules, to propose amendments to specific orders in council on the bill.

The bill is an amending bill. There may be some question about the rules of order, whether other amendments can be proposed, but I think the house ought to be free in committee to discuss the details. Of course, no action could be taken on second reading except something attacking the whole principle of the bill, but when we get into committee on the bill I think the house must be free to discuss price control or the policy with reference to Japanese, or those other matters that I have outlined. The house must be free to do that. I am not inviting this discussion. In fact, I do not want

the discussion, as far as that goes, but I have to see, as far as I can, that the house has an opportunity to discuss these details. I will now put the list on *Hansard*:

ORDERS IN COUNCIL IN SCHEDULE

To the Continuation of Transitional Measures Act

Revocations

Department of Agriculture

P.C. 5424, 14/7/44—Agricultural food board regulations respecting recovery of subsidies. Revoked by P.C. 5040, 8/12/47.

P.C. 6759, 6/11/45—The repayment of subsidy (agricultural products) regulations. Revoked by P.C. 5040, 8/12/47.

Civil Service Commission

P.C. 8541½, 1/11/41—Preference respecting appointments to civil service ex-service men of present war as amended by P.C. 4320, 20/6/45.

P.C. 15/1647, 9/3/45—"Veterans preference" respecting appointments to the civil service—service on the high seas in a sea-going ship of war. Revoked by P.C. 4632, 12/11/47.

P.C. 16/1647, 9/3/45—"Veterans preference" respecting appointments to the civil service—not applicable certain classes in naval forces. Revoked by P.C. 4632, 12/11/47.

P.C. 20/6173, 21/9/45—Civil service war service preference—certain persons excluded, as amended by P.C. 29/1046, 22/3/46. Revoked by P.C. 4632, 12/11/47.

P.C. 30/7500, 29/12/45—"Veterans preference" respecting appointments to the public service as amended by P.C. 19/3727, 5/9/46. Revoked by P.C. 4632, 12/11/47.

Department of Finance

P.C. 394, 20/1/42—Anthracite coal—importation exempted from customs duty, as extended by P.C. 3472, 28/4/42. Revoked by P.C. 5085, 11/12/47.

P.C. 9058, 6/10/42—Bagging material, etc.—importation exempt from customs duty. Revoked by P.C. 5085, 11/2/47.

P.C. 6497, 17/8/43—Ration coupon banking as amended by P.C. 626, 3/2/44. Revoked by P.C. 498, 10/2/48.

Department of Fisheries

P.C. 6289, 6/8/43—Regulations for control of salt fish and appointments thereunder. Revoked by P.C. 4976, 3/12/47.

Department of Mines and Resources

P.C. 7167, 15/9/43—Reserves to the crown radio-active substances in Yukon Territory. Revoked by P.C. 5282, 30/12/47.

P.C. 7168, 15/9/43—Reserves to the crown radio-active substances in Northwest Territories. Revoked by P.C. 5282, 30/12/47.

Department of National Defence

P.C. 6638, 23/10/45—Post-discharge benefits to the members of the armed forces serving in an interim force. Revoked by P.C. 5085, 11/12/47.

P.C. 3617, 27/8/46—Naval, military and air force estates regulations, 1946. Revoked by P.C. 5005, 8/12/47.

P.C. 349, 31/1/47—Regulations respecting claims by or against the crown involving members of the naval, military or air forces of Canada (overseas). Revoked by P.C. 5005, 8/12/47.

[Mr. Ilsley.]

P.C. 363, 31/1/47—Consolidated regulations respecting salvage services by H.M.C. ships. Revoked by P.C. 5005, 8/12/47.

Department of National Health and Welfare

P.C. 6367, 10/8/43—Old age pensions. Revoked by P.C. 3644, 9/9/47.

P.C. 8341, 28/10/43—Old age pensions. Revoked by P.C. 5085, 11/12/47.

P.C. 3377, 29/5/44—Old age pensions. Revoked by P.C. 3644, 9/9/47.

P.C. 6500, 18/8/44—Old age pensions. Revoked by P.C. 5085, 11/12/47.

Department of Transport

P.C. 3396, 9/8/46—Merchant seamen out-of-work allowance regulations. Revoked by P.C. 4939, 3/12/47.

P.C. 133/510, 26/1/44—Compensation to seamen (war damage to effects) regulations, 1939, as amended by P.C. 127/1111-21/2/45, 109/2100-28/3/45, 148/5045-18/7/45. Revoked by P.C. 498, 10/2/48.

ORDERS IN COUNCIL IN SCHEDULE

To the Continuation of Transitional Measures Act

Partial Revocations

Wartime Prices and Trade Board

P.C. 5518, 16/7/43—Repayment of subsidy order. Partially revoked by P.C. 4815, 26/11/47 revoked subsections (2) and (3) of section 4 and renumbers subsections (4), (5) and (6) of such section as (2), (3) and (4) respectively.

Department of Fisheries

P.C. 251, 13/1/42—Fishing licence—prohibited to persons of Japanese racial origin. Revoked as of April 1, 1949 by P.C. 804, 2/3/48.

Department of Labour

P.C. 946, 5/2/43—Evacuation and relocation of persons of the Japanese race in Canada as amended by: 9743, 24/12/43; 5637, 16/8/45; 5793, 18/12/45; 5973, 14/9/45; 270, 23/1/47. Paras. (ii) and (vii) of subsection (1) of section 3 revoked by P.C. 804, 2/3/48.

Total revocation as of April 1, 1949 by P.C. 804, 2/3/48.

P.C. 7355, 15/12/45—Financial assistance to voluntary repatriates to Japan and liquidation and transfer of their assets to Japan as amended by P.C. 268, January 23, 1947. Amended by P.C. 637, 20/2/48 revoked except in so far as it affects or relates to persons who, having made a request for repatriation, have proceeded to Japan prior to the fifth day of December, 1947.

ORDERS IN COUNCIL IN SCHEDULE

To the Continuation of Transitional Measures Act which are to be continued beyond March 31, 1948

Department of Finance

P.C. 8042, 9/9/42—Coke made from coal exempt from war exchange tax when used as a fuel for cooking or baking foods or for heating buildings, etc.

P.C. 9781, 24/12/43—Well-drilling machinery, etc., tariff treatment.

Wartime Prices and Trade Board

P.C. 8528, 1/11/41—Wartime prices and trade regulations as amended.

P.C. 9029, 21/11/41—Wartime leasehold regulations as amended.

P.C. 9870, 17/12/41—Authorizing incorporation commodity prices stabilization corporation as amended.
P.C. 7475, 26/8/42—Regulations of corporation as amended.
P.C. 5518, 16/7/43—Repayment of subsidy order as amended.
P.C. 34/4433, 10/6/44—Government Employees Compensation Act extended to C.P.S.C. etc., employees.
P.C. 3122, 25/7/46—Consolidation of supplementary regulations.
P.C. 328, 28/1/47—Canadian Sugar Stabilization Corporation Ltd.

Department of Fisheries
P.C. 4112, 30/5/44—Enacting the Pelagic Sealing Regulations.
P.C. 251, 13/1/42—Fishing licence—prohibited to persons of Japanese racial origin.

Department of Justice
P.C. 4600, 7/6/43—Authorizing appeals in cases involving breaches of wartime regulations as amended.
P.C. 6223, 6/8/43—Notice to Attorneys General of Canada and of province in certain cases.

Department of Labour
P.C. 1003, 17/2/44—Wartime labour relations regulations as amended.
P.C. 946, 5/2/43—Evacuation and relocation of persons of the Japanese race in Canada as amended.
P.C. 7355, 15/12/45—Financial assistance to voluntary repatriates to Japan and for liquidation and transfer of their assets to Japan as amended.

Department of Reconstruction and Supply
P.C. 1609, 23/4/46—Construction materials regulations established, as amended.
P.C. 9439, 19/12/44—Emergency shelter regulations as amended.
P.C. 7502, 28/12/45—Emergency shelter regulations transferred to Central Mortgage and Housing Corporation.
P.C. 3, 4/1/44—Wartime industries control regulations as amended.
P.C. 245, 23/1/46—Steel regulations as amended.
P.C. 1997, 21/3/44—Timber regulations.

Department of the Secretary of State
P.C. 1665, 4/3/42—Administration by custodian of property of persons of the Japanese race as amended.
P.C. 469, 19/1/43—Transfer to custodian of property of Japanese evacuees as amended.

Department of Transport
P.C. 2245, 23/3/42—To authorize the chairman of the board of steamship inspection to relieve any ship from the obligation to comply with any of the provisions of Part VII of the Canada Shipping Act, excepting those provisions of the said Part relating to radio telegraph installations on ships.
P.C. 4306, 17/6/41—To provide for permission to Canadian registered ships to clear on a voyage with masters, mates or engineers not holding appropriate certificates as amended.

Mr. KNOWLES: I appreciate the position the minister takes, and the committee I think will recognize, as will the chairman, that it is very fair. Let me state a case in point with reference to the minister's feeling that we should be in a position to move amendments. He indicated today that P.C. 946 has been made the subject of another order in council finally revoking it as of April 1, 1949.

Mr. ILSLEY: That is correct.

Mr. KNOWLES: Suppose I wish to move an amendment to change the date of April 1, 1949, to April 1, 1948, can the minister give me any free legal advice as to how it might be done?

Mr. ILSLEY: There is a passage in May that is not too helpful on this proposal. What I had in mind all along was that if an hon. member wished to do that he would move an amendment to this bill adding a specific section that order in council so and so should be changed or dropped.

Mr. KNOWLES: Thank you.

Mr. MacINNIS: I think the procedure that has been indicated by the Minister of Justice is fair, and I also think it is according to the rules of the house. When a bill is proposed to amend a time section of an act my understanding is that the act as a whole is open for amendment. I believe there was a ruling made in that regard at one time on a question raised by the then hon. member for Comox-Alberni.

This is a very important matter. I do not think it helps us very much to have the minister say that he is willing to do so and so. I appreciate that, and I would appreciate it if the chairman also said it, but neither of them controls the house.

Mr. KNOWLES: No, but he has quoted May.

Mr. MacINNIS: He said May was not very helpful; perhaps May never is. Therefore if some hon. member raises a point of order the chairman is bound to decide that point of order not on what the minister has said nor on what he thinks himself, but on the rules of the house. I believe there is a rule which permits any amendment to be made once there is an amendment to an act.

Mr. ILSLEY: That is my understanding of it.

Mr. BRACKEN: As the minister has pointed out, this resolution is preparatory to the continuance of a measure passed some two or three years ago, a measure which continued in effect some fifty orders in council. The minister has indicated today that some of these orders in council have been revoked partially, some revoked wholly and some are being continued in effect. This is the first time we have had that statement. We cannot

therefore be expected to discuss a measure of this kind intelligently at the moment. The suggestion of the minister is a very good one, that the major debate, whatever it may be, should be left to second reading.

This is the resolution stage preparatory to the introduction of a bill. The minister indicates that the bill will be very short; it will not have all the details that it has had in the past. It is pointed out that we shall have them from other sources and they will be available and subject to discussion. We gather that the bill in principle will be the same as the bills we have dealt with on three or four other occasions, but covering a less extensive number of orders and controls. I think it is very desirable to save time at this stage if we can do so. But I want it understood that if we pass this resolution now without much debate we have our rights reserved to oppose it or support certain sections of it when the time comes for doing so.

With respect to the general principle of this control measure, our position is well known. We supported it generally during the war period; during the immediate post-war period we favoured an orderly decontrol. As we got into the peacetime period it was our view that many of these controls were resulting in lessened production, and many of them were doing more harm than good. Many of us feel that one in particular, the rent control, should not be abandoned precipitately. We think that if we are to get rid of it, it should be done in an orderly fashion.

We have had this measure before us on four different occasions—this is the fifth—and each time it is brought back to us the government seems to have made very little progress in extricating itself from its wartime controls. Generally speaking, we think many of these controls result in lessened production and therefore do more harm than good. I am not going to take more time now to discuss this matter in detail. We are agreeable to having the resolution passed at this stage, subject to the understanding that we can take any position we choose when the measure comes back to us. Then we will have before us the orders that are being continued, as indicated by the minister this afternoon, and then we will know what ones have been discontinued. I think, Mr. Chairman, we can save a good deal of the time of the house if that general procedure is accepted now, subject to the understanding that on second reading, and when we go into committee on the bill after second reading, we shall be free to take any position we think wise with respect to the support or otherwise of the different sections of the measure.

[Mr. Bracken.]

Mr. POULIOT: I am sorry not to be in a position to accept the advice of the leader of the opposition. He has said: Well, we should swallow this resolution and wait until the bill is before the committee to discuss the matter and to ask for more information. In my opinion, sir, the rules of the house are apropos and very wise. They were drafted by men who had respect for law, men who knew that laws could not be made by the barrel, could not be made by the ton. They knew that an enactment is a matter of great importance because it affects everybody in this country. We are at the initial stage of the discussion, not the debate. The debate is on the second reading of the bill, but this is the initial stage of the discussion of a measure. The opposition is against control. The government is to reduce controls progressively. I personally am against controls.

Mr. NICHOLSON: Rent control?

Mr. POULIOT: If my hon. friend does not know that, he has not followed the debates since he has been a member of parliament. He knows that I am against all controls because they are an infringement of the liberty of the citizens of this country. But I will say more to him. There are some newcomers, like the leader of the opposition, for whom I have great respect, who say: We will save the time of the house by not discussing anything now; we will wait until the bill is before the committee. He does not realize the importance of the resolution. The very purpose of the resolution, especially when it is before the committee of the whole, is to give hon. members the opportunity to notify the government as to the information that they want to get before the second reading of the bill. This is the time to ask for that information in order that hon. members may be well posted and well informed when they discuss the principle of the bill. Where the first reading of the bill passes unnoticed, it is on the second reading that we discuss the principle of the bill. If we want information we ask the government for it when the bill is in the committee stage; therefore hon. members get the information after they have committed themselves on the principle of the bill. In other words the members must make their decision promptly, and it is a most important decision. How many rulings have I not heard in committee to the effect that the merits of the matter may not be discussed in committee? The member is bound by the vote he has given on second reading, and that is that. Is that not true, Mr. Chairman? How many times have you called members to order just because they were opposing the

principle of a bill in the committee stage? Therefore I will tell the minister what kind of information I want to have, and I want to have it for the benefit of my fellow colleagues of the House of Commons. What does it mean to me if I hear that an order in council has been repealed entirely or in part? The minister surely told the truth. I admit that he must have told the truth. I believe him.

Mr. GREEN: He always tells the truth.

Mr. POULIOT: Well, he always believes that he tells the truth. That is why I said he was honest. But he may make some errors occasionally, and he will not mind my saying that.

Mr. KNOWLES: He is always careful.

Mr. POULIOT: Yes; *errare humanum est*—to err is human. The fact that one order in council has been repealed in part or in full is just some more paper; the effect of it is what members of parliament are interested in. Members of parliament who denounce bureaucracy are interested in that repeal or in that change, whether you call it an amendment or something else, from the point of view of the number of bureaucrats that have been dispensed with as a result of such repeal or such change. Therefore my question now to the minister is quite clear, and it is this. I want to know how many men and women were employed by virtue of all those orders in council, and how many have been shifted to other departments because they personally were found to be indispensable, although the work they did under the repealed orders in council was no longer considered indispensable. In the first place, how many were dispensed with entirely from the service? How many were shifted from the bodies created by the orders in council to another branch of the dominion government? How many are still in the pay of the dominion government for the purpose of rendering some services in the bodies that are kept up by the orders in council which have not been entirely repealed?

To turn now, for instance, to price control and the wartime prices and trade board, this is exactly the kind of economic council which was established by Mr. Bennett by virtue of his social legislation, and which I denounced in the house. I succeeded in getting it taken completely out of the statute book. If any hon. member takes the trouble to look at the statutes of 1936, he will see that in that book there is a short piece of legislation entitled "An act to repeal the Economic Council Act." I was the mover of that resolution. To me it is absurd that men in the government service, deputy ministers and others, should form an underground government to make policies as was done by the wartime prices and trade board. Let us look at those who composed that organization. Some of them are fine fellows. There are, of course, degrees of fineness among those who sat on that board. But men in various departments were taken from the work they had to do in order to meet together and decide about the prices that the people would have to pay in this country. I still think that the prices should be established by order of the Minister of Labour. I think it should be done by order in council, but on the recommendation of the Department of Labour and not under the wartime prices and trade board.

Perhaps I should qualify what I say in this way. If we find it necessary to establish prices, for instance, for agricultural products, those prices should be established by the Minister of Agriculture, but the salaries and wages should be determined by the Minister of Labour who is responsible to the government of this country, and members of parliament would be able to get much more information than we can get now from the wartime prices and trade board. I say nothing about the present chairman of that institution, because he is a much finer gentleman than was his illustrious predecessor. We can talk to him; he is sensible; he listens to us. I know that he wants to do a good job. But the trouble with these organizations that are not responsible to parliament is that those men who have fat salaries are most of the time considered infallible. They consider themselves infallible and they are considered by the government as infallible.

I hope the minister will be kind enough to give the information I have asked for, either at three o'clock on the day he brings in the bill or at any time before the bill is brought in, so that we shall know what progress has been made in the abolition of controls. Control is a form of despotism. Control is the antithesis of free enterprise. Control is the policy of the socialist party all over the world. That is why I as a Liberal am strongly opposed to control.

An hon. MEMBER: You are not doing badly.

Mr. POULIOT: There are some gentlemen who believe in control. It gives them importance. They like the strait-jacket and they are happy when they are not free. I am happy when I am free. The farmers of my district; those who work, on the railways and anywhere else; the merchants and all others want to be free. They want no controls. Here we have a measure of control. I am surprised that the leader of the opposition did not have

indigestion, when he was so ready to swallow the resolution preceding the bill. He is against controls, but he says: that resolution tastes good; I will swallow it right away. He has swallowed it. Here we have imitative harmony.

Here we are, Mr. Chairman, so far in the control business that we cannot dispense with it. It is nearly three years since hostilities ceased but the controls still exist and we cannot say to the people of this country we will have no more controls. If controls are necessary, that may be established; but I know and the committee knows there are some controllers who are useless but who are well paid, like the man who is writing his memoirs. His job is finished. He has nothing to do. He is still paid, so he writes his memoirs for the next war. I wonder if these men cannot be fired at once. Then we will have so much less to pay in taxes. I hope the control bodies will be gone over with a fine comb so that both the big ones and the little ones will be combed out, to the great benefit, pleasure, enjoyment and relief of the taxpayers of this country.

Mr. KNOWLES: Just one further word, to go back to what we were discussing with the Minister of Justice a little earlier. Despite what has just been said by the hon. member for Temiscouata I think it is a good idea to get this stage of the debate over and get on to the second reading stage, but I do feel it is important that we protect our right to move amendments in committee on the bill. The minister's suggestion that there was something in May which was not too helpful led me to look into May, and I think it is fairly helpful if you read May closely. First of all, Mr. Chairman, I think citation 670 of Beauchesne, third edition, might be put on the record:

> In committee all the clauses of the bill are considered before any new clauses are brought up and added to the bill. But this practice is not rigorously followed and the committee is generally guided by what is most convenient in each particular case.

That seems to imply pretty clearly that the adding of new clauses is in order. The only question in that citation is whether the committee has to wait until all the clauses in the bill have been dealt with or whether new clauses can be put in as we go along. The citation from Beauchesne, which I have just read, refers also to May. I have in my hand May, thirteenth edition, and I think I should read a few sentences from pages 410 and 411.

> In the Lords, new clauses are brought up and inserted in their proper places, while the committee are going through the bill; but in the Commons, all the clauses of the bill are considered before any new clauses are brought up and added to the bill; though new clauses have been considered before postponed clauses. The new clauses proposed by the minister, or other member in charge of the bill, are considered before other new clauses. Members desiring to offer new clauses are called upon in the order in which their names appear upon the notice paper and before those members who have not given notice of their new clauses.

That, of course, has reference to a slightly different practice followed in the parliament at Westminster, where notices of amendments in committee also have to be put on the notice paper, unlike the situation here. There is this further paragraph:

> If a new clause be offered, the chairman desires the member to bring it up, and it is read the first time without question put. A question is then put for reading the clause a second time, and, if this is agreed to, the clause may be amended before the question is put for adding it to the bill.

I thought these references from Beauchesne and May might be cited at this time so there could be no doubt about the intention of the committee, namely that when we do reach committee on the bill we shall have the right to move, by way of amendment, additional clauses to the bill in the form the Minister of Justice suggested.

Mr. LOW: I presume when the minister brings in the bill, either on the motion for second reading or in committee, he will be prepared to provide us with justification for the extension of these controls. Naturally we would like a chance to look over and study the list he has given us today, and I think the procedure he is following is generally good. When the bill does come in, however, we would like the minister to give us justification for the extension. We have taken the position generally that while controls may be necessary to tide us over a hard time, a time of dislocation, until things become more or less settled, generally we are against controls because, like the hon. member for Temiscouata, we feel that they unnecessarily curtail the freedom of the people. But whatever the government can justify at this time we are prepared to grant.

Mr. ILSLEY: The ministers having the administration of the various orders in council will be prepared to justify their extension.

Resolution reported, on division, read the second time and concurred in. Mr. Ilsley thereupon moved for leave to introduce Bill No. 136, to amend the Continuation of Transitional Measures Act, 1947.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS. MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

He said: Mr. Speaker, I rise on a point of order. Last evening it was indicated by all groups in the opposition that it was their desire that this bill be divided into two parts, one part to be enacted at this time and the other part to be referred to the agriculture committee. It might be well to state the procedure that will be followed if that proves to be the wish of the house. The procedure will be that after Bill No. 135 has been read a second time, before the motion is put that Mr. Speaker leave the chair for the house to resolve itself into committee of the whole on the said bill I will move that it be an instruction to the committee of the whole that they have power to divide Bill 135 into two bills, in order that one bill may deal separately with oats and barley. When the house is in committee I shall ask one of my colleagues to move that section 5 be deleted from Bill 135 and that it be embodied in a separate bill. When the committee has reported Bill 135 with an amendment, and has at the same time reported progress on Bill 136—

Mr. BRACKEN: May I interrupt the minister to ask a question? He refers to section 5. I have not a copy of this bill; has it been distributed?

Mr. HOWE: It has been distributed, yes. When and if the committee has reported Bill 135 with an amendment, and has at the same time reported progress on Bill 136 and asked leave to sit again on Bill 136, and when Mr. Speaker asks when the committee shall have leave to sit again, then I shall move that Bill 136 be referred for consideration and report to the standing committee on agriculture and colonization.

I make this statement to indicate the government's plan, which has been worked out in consultation with the law officers, and is considered a proper manner in which to split a bill. If this procedure meets with the approval of the house I shall proceed in that fashion.

Mr. BRACKEN: I understand the minister is now discussing procedure, not the merits of the measure.

Mr. HOWE: That is right.

Mr. BRACKEN: Then, under the proposed procedure are we asked to approve all sections of the bill on second reading?—because if we are not, one difficulty would be removed. If we are, I am afraid we could not agree to approval of all sections of the bill now.

Mr. HOWE: As I understand the situation, there is no known method by which a bill can be divided until we get into committee; and we cannot get into committee until we have had second reading. My hon. friend will appreciate that he is not committed to the bill simply by its having had second reading. The new bill will go to the committee on agriculture and can be returned as amended. After it is returned it can be rejected either by the government or the opposition. I scarcely think any commitment is involved.

Mr. BRACKEN: Is it correct that it is not the minister's intention, if the bill gets second reading that we shall be committed to all sections of it? Ordinarily when second reading is given one is committed to the principle or principles of the bill.

Mr. HOWE: I believe I can relieve my hon. friend's mind by saying that after the bill is divided it will come out of committee as two separate bills with separate numbers. Either bill can be defeated in committee or in the house; there need be no commitment so far as the oats and barley section is concerned.

Mr. DIEFENBAKER: That may be a very good explanation, but it is scarcely in accordance with parliamentary procedure. We find in Bill 135 that part IV-A provides for a new section 29A, and deals with oats and barley. Why should there not be a motion by the minister to delete that part from Bill 135—call it 135A, if you like? Then the only bill before the house would be Bill 135 rather than 135A. I say that because a vote cast in favour of second reading, regardless of any explanation the minister may give, will actually signify approval of the bill as constituted and placed before the House of Commons.

Mr. TUCKER: Much as I would like to see these cheques authorized and sent out to the wheat growers of western Canada at the earliest possible moment—and particularly so far as Saskatchewan is concerned, owing to the crop failure in about half of that province, and the further fact that they are relying on receipt of these cheques and prairie farm assistance cheques to help put their crops in—it seems to me most unfortunate that the desire to get these cheques out should be used by the opposition to force the taking of a step which would make it impossible to have a bill which would provide, along with the necessary supplementary legislation passed by the provinces—

Mr. BRACKEN: Are we now dealing with a point of order, or is this a debate on the bill?

Mr. TUCKER: A point of order.

Mr. BRACKEN: I respectfully suggest the hon. member is dealing with the bill itself rather than a point of order.

Mr. HOWE: If we may continue the discussion on the point of order, may I say that the hon. member for Lake Centre and I are not far apart. Instead of calling it Bill 135A we have arranged to call it Bill 136. As soon as possible we will resolve the oats and barley section into Bill 136. There will be no commitment so far as the government is concerned in respect of Bill 136. It will not be considered as a commitment if the bill as now written receives its second reading.

Mr. MILLER: If we have second reading of Bill 135 then we certainly would not have another second reading. It would be a second reading of Bill 135 and Bill 136, in effect.

Mr. HOWE: Yes.

Mr. MILLER: And if we do not discuss on second reading the part that is to be included in Bill 136, namely part IV-A, as I understand it we would never have another chance, because when the bill is reported from committee of the whole as Bill 136 the second reading has been completed.

Mr. KNOWLES: May I say a word or two on the point of order?

Mr. MILLER: Would the minister answer my question first?

Mr. HOWE: That is true; there would be no second reading of Bill 136 if we follow the method proposed. There would be a third reading; but I would assume hon. members would wish to have a discussion of Bill 136 in the committee on agriculture.

Mr. KNOWLES: May I say a word with respect to the point of order? First of all I support the minister's contention that if a bill is to be divided into two parts this is the only way it can be done. Bourinot, fourth edition, pages 525 and 526, indicates clearly that the only way to consolidate two bills, or to divide one bill into two or more bills, is to do it in committee of the whole house, after second reading, and precisely as the minister has said.

As to the awkward position in which my hon. friends to my right find themselves, may I say I do not see how they can get out of it.

Mr. DIEFENBAKER: It is not an awkward position at all.

[Mr. Tucker.]

Mr. KNOWLES: As to the position, then, that my hon. friends are in, I think they are right in contending that a vote for second reading approves the principle of the whole thing.

One other point, so that the record may be kept clear on it. The minister referred to the second bill as Bill 136. I would remind him that in the meantime the Minister of Justice has introduced a bill which will probably bear the number 136, so the second part of the bill proposed by the Minister of Trade and Commerce perhaps ought not to be numbered just yet. This is a minor point, but I think it should be mentioned.

Mr. HOWE: If I might clear that up, we have been informed that the number 136 has been reserved for this bill. However if the Minister of Justice in the meantime has pre-empted the number 136, then it will be 137.

Mr. ILSLEY: I will yield.

Mr. ROSS (Souris): Are we through with procedure now?

Mr. WRIGHT: No. On the question of procedure it would appear that the Progressive Conservative party object to voting on the principle with oats and barley included. So far as we were concerned, in referring this bill to the committee on agriculture and colonization our first objective was to get the payments out on the wheat participation certificates as soon as possible. Secondly, we believed that by referring it to the agriculture committee we could expedite the agreement and the complementary legislation that will have to be passed in connection with oats and barley and other products covered by the bill. If our friends to the right are going to delay the matter now, then so far as we are concerned we are prepared to deal with the whole bill as it stands.

Mr. POULIOT: Mr. Speaker, there is a simple way to deal with this matter, so simple that no one has thought of it. The minister could easily withdraw this bill and bring down two good bills. We complain that the legislation is obscure, that no one can understand it. If we had two bills those who voted for the principle of one bill would know what they were voting for. If they were for one bill they could vote for it, and if they were for the other bill, they could vote for that. But if they were against either bill they would not be bound by a vote which was given against their will.

This legislation is of supreme importance. The minister has had too much experience, he is too broadminded to force bad legislation

upon the House of Commons. Very often legislation is drafted by minor clerks. We cannot go on with separate bills before the committee. Section 29A refers to oats and barley. It is provided by that section that the words "oats and barley" shall replace the word "wheat" where it appears in the legislation concerning the wheat board. This is bad legislation. The minister is not stubborn; he is open-minded and broad-minded; he is full of good sense, and I am sure he realizes that this legislation cannot go through as it is.

We want good legislation, and it is time we had it, because we have had bad legislation for fifteen years. This is the time to start to have good legislation, and the best way to make it good is to have it acceptable to all. As it is now there is not a farmer in the west or in the east who could understand it. Those who deal with grain of any kind will have to go to great expense in order to have the opinion of eminent counsel on the effect of the legislation. It is to avoid these legal difficulties that I suggest respectfully to the minister that he withdraw his bill and come back with legislation that will be more understandable by everyone both in and out of this house.

Mr. LOW: Mr. Speaker, when the hon. member for Acadia (Mr. Quelch) spoke for the Social Credit group I think he suggested that there should be three bills instead of this one. Our idea was that there should be a bill dealing with payments to producers. The passage of that bill could easily be facilitated so that the payments could be sent out quickly. We feel that that is the way the bill should be divided. Then there should be another bill, as the hon. member for Temiscouata (Mr. Pouliot) has suggested, dealing with the wheat board and the various things that are contained in the rest of this bill. I believe that that would be the best procedure. We are not at all pleased with the suggestion of the Minister of Trade and Commerce that he is going to bring in one bill dealing with oats and barley and another dealing with the other three parts of this bill. We do not think that will solve anything at all.

Mr. HOWE: Mr. Speaker, may I point out that the principle of the bill is that we amend the Canadian Wheat Board Act. That is the only principle. Any section of the bill can be voted out in committee. I should like to get these payments out to the farmers, and I will accept almost any suggestion to that end. I do not see what we can do at this stage except get second reading of this bill.

Mr. BRACKEN: May I make one suggestion? I think everyone in this house wants to get this money out to the farmers as soon as possible. The minister has put certain sections of the opposition in a difficult position when he asks us to vote on four different principles in one bill, some of which we can accept and some of which we cannot accept. He may do whatever he likes with this now, but I venture to suggest that if he would bring in a measure dealing with the paying out of this money he would get it through in ten minutes. I guarantee he would, so far as this party is concerned.

Mr. HOWE: We might get it through in ten minutes, but I would point out that even if we gave notice today of the resolution, that resolution could not be discussed until some time next week, which would mean that the bill would be discussed later in the week. It would take several days to get the thing through. Then the other place must consider it. There is a procedure for doing what I undertook to do last night, and that is the only procedure known. I said I would stand by that and I am prepared to stand by it. If hon. members insist, there is nothing I can do except to proceed with the bill.

May I point out that the breaking up of bills and bringing in separate bills to amend one act may lead to some rather absurd results. The Minister of Transport is bringing in a bill to amend the shipping act. It will have a great many sections. In all probability second reading will be given to that bill and then hon. members can strike out any clauses that they do not agree with when the bill is in committee. That is exactly the position we are facing here.

The Minister of Justice has an amendment to the criminal code consisting of forty or fifty sections. That is the procedure that is followed there; the bill will be amending one act just as this bill is. My hon. friends know that it is not the practice of this house to discuss a bill twice in the same session. The rules are against it. It is proposed in this instance that we bring in two bills amending the same act in the same session. I have never seen that done since I have been in the house.

Mr. TUCKER: Mr. Speaker, I might just continue what I was going to say because others have dealt with that matter. I would suggest with all deference that we go ahead with this bill. Surely by this time everybody in this parliament knows the facts about wheat, oats and barley. We should let the majority rule in this matter. There should

not be an attempt made by the opposition to see that a bill which a great many believe should be put through is delayed, to adopt a procedure that will in effect kill part of the bill for this year.

An hon. MEMBER: No.

Mr. BRACKEN: That is nonsense.

Mr. TUCKER: I say this, and I think I am correct in saying it, that if we send part of this bill to the committee the committee will certainly keep it long enough so that most of the legislatures which will have to act on this matter will be adjourned. The opposition will then have succeeded in preventing this measure from being brought into existence to handle the 1948 crop.

Mr. BRACKEN: That is all nonsense.

Mr. TUCKER: It is not nonsense at all. I ask the leader of the opposition if it is not correct that the legislature of Saskatchewan, which is primarily involved and which must pass complementary legislation, will not be adjourned by Easter?

Mr. ROSS (Souris): They have agreed to call a special session.

Mr. TUCKER: My hon. friends know that if the part of the bill dealing with oats and barley is sent to the committee there would be no chance whatever of getting the bill passed before Easter, in which event the necessary complementary legislation could not be passed by the legislature of Saskatchewan in time to enable the wheat board to handle the 1948 crop. That is the effect of what the opposition is doing, and let there be no mistake about it.

Some hon. MEMBERS: Order.

Mr. TUCKER: Let there be no mistake about it, Mr. Speaker.

Mr. ROSS (Souris): There is no point of order there.

Some hon. MEMBERS: Order.

Mr. TUCKER: I will be called to order by the Speaker and not by my hon. friends opposite.

Mr. DIEFENBAKER: Then, Mr. Speaker, will you call the hon. member to order, because what he is saying has nothing whatever to do with the point of order.

Mr. SPEAKER: Hon. members will admit that I have given much latitude to every member on this point of order.

Mr. FULTON: Nobody else has abused it, Mr. Speaker.

[Mr. Tucker.]

Mr. SPEAKER: I have been generous to all members and I would ask the hon. gentleman to speak to the point of order.

Mr. TUCKER: The leader of the opposition said that what I was saying was nonsense and I have proved that what I am saying is not nonsense.

Mr. DIEFENBAKER: It was an understatement.

Mr. TUCKER: That may be my hon. friend's opinion, but everyone is entitled to his opinion. Now I say, and let there be no mistake about it, that the effect of dividing this bill—

Some hon. MEMBERS: Order.

Mr. TUCKER: I am in order, Mr. Speaker, surely.

Mr. SPEAKER: The question before the house is a point of order raised on the suggestion made by the Minister of Trade and Commerce in putting before the house a motion to divide the bill in two. If the hon. member wishes to discuss that matter I do not see any reason why he should not.

Mr. FULTON: But he is discussing a question of motives.

Mr. TUCKER: I am endeavouring to show what the effect of dividing the bill will be. I am saying that everyone knows, and all members from Saskatchewan will bear me out, that the legislature of that province will adjourn within the next week or ten days, before Easter. In fact, it will prorogue. Now if we divide this bill, what will be the effect? Everyone will admit that in order to bring properly into effect this provision with respect to oats and barley there must be complementary legislation on the part of the province of Saskatchewan.

Mr. ROSS (Souris): And the premier of Saskatchewan has agreed to call a special session to pass it.

Mr. TUCKER: The hon. member may know what the premier of Saskatchewan intends to do, but I also heard him say that he intends to have an election when the four years have elapsed and there may be an election right after the house prorogues. What I am saying is this. Let us be reasonable about this matter and look at the facts.

An hon. MEMBER: A swan song.

Mr. TUCKER: It may be my swan song, and other people may sing their swan songs in due course. I have known lots of people sing their swan song and they did not even know it.

Let us look at the facts as they are. On the opposite side there are members representing in numbers the provinces of Saskatchewan and Alberta. When they are arguing that the bill be divided I would suggest to them that they are in effect voting to create a situation whereby there will be no chance to have it apply to oats and barley until at least the crop year of 1949. If they support that viewpoint—

Mr. ROSS (Souris): Is this a point of order, Mr. Speaker?

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Order.

Mr. ROSS (Souris): On a point of order—

Mr. TUCKER: If they support that viewpoint, that is their concern.

Mr. COLDWELL: You know we do not.

Mr. TUCKER: Then why did your speakers support it?

Mr. SPEAKER: I think the hon. member is taking a little too much latitude.

Mr. TUCKER: Mr. Speaker, last night—

An hon. MEMBER: He is too windy.

Mr. TUCKER: That may be your opinion, but I am entitled to speak for the people who sent me here, and I intend to do so. I am saying, Mr. Speaker, that a certain line of conduct has been suggested by the official opposition. It has been upheld by the C.C.F. party and by the Social Credit party.

Mr. ROSS (Souris): Mr. Speaker, is the member discussing a point of order?

Mr. SPEAKER: I think the hon. member is out of order. Every member is anxious to proceed with the legislation. It has been suggested by the Minister of Trade and Commerce that the second reading of the bill be passed and that afterwards a motion be put to authorize the committee to divide the bill in two. That is the question before the house.

Mr. TUCKER: I have the floor, Mr. Speaker, and I claim the right to answer the arguments made by the opposition party last night.

Mr. ROSS (Souris): Mr. Speaker, are we on the bill or on a question of procedure?

Mr. TUCKER: I have not spoken for forty minutes, Mr. Speaker.

Mr. SPEAKER: I must point out to the hon. member that what is before the house is a point of order. If he wishes to speak on the merits of the bill he will have an opportunity to do so, but at the moment there is a point of order before the house.

Mr. BENTLEY: On the point of order, Mr. Speaker, it is so fine that I do not know whether I shall be in order in what I am about to say. I will try to stick to the point, and if I get off the point you will call me to order. I am not greatly impressed with the remarks of the hon. member who has just taken his seat, neither am I impressed with some of the other things I see going on.

Some hon. MEMBERS: Order.

Mr. TUCKER: The hon. member is speaking for the third time. I have not been permitted to speak once yet.

Mr. KNOWLES: This is the first time he has been on his feet on this point of order.

Mr. BENTLEY: The point of order is, I believe, on the procedure for dividing this bill.

Mr. SPEAKER: The question before the house is a point of order. If the hon. member wishes to speak on the point of order he may say what he has to say.

Mr. COLDWELL: He does wish to speak on it.

Mr. SPEAKER: He should not, however, discuss the merits of the bill. In the debate on the second reading of the bill he will have an opportunity to do so.

Mr. BENTLEY: I am trying, Mr. Speaker, to speak on the point of order, which, as your Honour has said, has reference to the procedure on the bill. I am speaking to that point. I am anxious to see everything in this bill—

Mr. SPEAKER: The question before the house is quite simple. We have before us the second reading of Bill No. 135, entitled an act to amend the Canadian Wheat Board Act, 1935. The Minister of Trade and Commerce rose and suggested to the house that there be second reading of the bill and that afterwards he would move a motion to direct the committee of the whole to divide the bill in two. That is the question. I think the house should now arrive at a conclusion. Either it will accept the minister's proposal or it will not.

Mr. BENTLEY: On the point of order, Mr. Speaker—

Mr. HOWE: May I speak to the point of order?

Mr. BENTLEY: I have not finished speaking to the point of order, Mr. Speaker. I sug-

gest that in view of what has happened here this afternoon the minister should not divide the bill but should go ahead with the whole thing.

Mr. HOWE: I am in the hands of the committee. I have stated my intention, provided that it meets the approval of the house. I suggest that we proceed with second reading and, as we reach the various stages, I am willing to make the motions I have indicated.

Mr. GARDINER: In view of the undertaking given last night, may I say one thing. The rule states:

> The committee of the whole may, in conformity with instructions, consolidate two bills into one or divide one bill into two or more.

Before the committee can do that it must have instructions from the house giving it the authority to do it. Giving it the authority to do it does not mean that the committee must do it. That whole question has to be discussed in committee; but coming back to the question as to what we are doing on the second reading, may I say we are amending the Canadian Wheat Board Act. We are amending it with three or four sections which provide for three different things.

I think all hon. members will agree that in bills of this kind it has always been within the authority of the committee to oppose sections in the bill, and it is within the power of the committee of the whole, when this bill goes to that committee, to divide this particular bill about which we are talking, even though the house itself may have voted for the second reading. That can be done, but what the minister has suggested is this. If at that stage it is the will of the committee of the whole that it should be done, instead of voting for that section at all, the committee would be prepared to send it to a committee of the house. If it is sent to the committee on agriculture that committee would decide whether it is going to vote on it, and may determine to report against its being in the bill. That authority for the committee of the whole to take the procedure outlined must, according to the rules, be given by the house when the bill is referred to committee. The minister has simply said that he is prepared to make the necessary movements to make that possible, and the first thing that has to be done in order to get into committee at all is to pass the second reading. When we have passed second reading then he will ask this house to give authority to the committee to divide the bill if it desires to do so, and if it does not desire to do so, it can make the decision then just as well as it can make it now.

[Mr Bentley.]

Mr. FULTON: On that point, does there not have to be a motion now while the house—

Mr. SPEAKER: Order.

Mr. QUELCH: I think the suggestion of the Minister of Agriculture is a good one. On the other hand, is there not the other alternative? I understand that the bill on veterans affairs has been sent to the committee on veterans affairs, and that committee will report back to the house part of the bill, leaving the rest of the bill for discussion. Could we not have this bill sent in its entirety to the committee on agriculture, and then just report back the section relating to the payment of the increases?

Mr. GARDINER: We would not get the payments through for two or three weeks, and they should be out before that.

Mr. COLDWELL: I think the point made by the hon. member for Swift Current (Mr. Bentley) should be considered by the minister. What we suggested last night was done in order to facilitate payment to the farmers. If we are to mix that up with a discussion of the amendment dealing with the manner in which oats and barley are sold and these payments are delayed, then I think the best thing to do is for the minister to go ahead as originally suggested and we will vote on the principle of the bill.

Mr. HOWE: The minister's position is quite clear, Mr. Speaker. He will follow the procedure outlined and at each stage he will offer these motions. The committee can pass them or can defeat them.

Mr. J. A. ROSS (Souris): I wish to make a few observations on the measure now that we are through with procedure. I am one of those who believe that we have either to go through now and discuss the bill at this stage or to agree to the whole principle of the bill. I realize the difficulties there have been today with the procedure. The minister gave all sorts of undertakings last night that he would divide the bill in two. When we come to that stage we shall be called upon to pass second reading of the bill, and if we all agree to it we agree to everything in principle, which I cannot do myself at this stage. Nobody in this House of Commons is more anxious than I am to facilitate the payment to the farmers. That is what I had in mind on the resolution stage—

Mr. GARDINER: On a point of order, the position taken by the members of the government is not in accordance with what has just been said. The Minister of Trade and

Commerce has said that the government does not, or the introducer of the bill does not, consider that members in the official opposition or in any other part of the house are voting on this particular section when they vote on the principle of the bill. That was definitely understood in the procedure that was outlined, and there is a possibility of doing that. No one will be charged with that position at all. That section can be voted out. I hear someone whispering, "What about the rules?" I just read the rules. The rules give this house the authority to instruct the committee, and the minister has said that he will move to instruct the committee that it has authority to divide the bill. I do not know anything could be any clearer than that. When hon. members are voting on the principle, no one is voting for that. The bill may be divided and, if so, the feed grains may be considered separately.

Mr. ROSS (Souris): Mr. Speaker, I wish to discuss this bill at this time and, irrespective of what any minister may have said, we are bound by the rules of the house. That is why we are in this dilemma this afternoon. I am very sorry about that, but I want to make a few observations today and I want to repeat that I and all members of this party are just as anxious as anybody else in the house to facilitate the immediate payment of the farmers' money that is now held by the wheat board for these crop years. We are anxious to have those payments made. As I followed the statement of instructions from the Minister of Trade and Commerce, immediately you call second reading this afternoon, and as I have read the bill, the bill will be divided in two in committee, and the matter of the pension and contributions will be linked with Bill No. 135 which has to do with payment to the farmers. It is on that point I want to make some observations. It is true that the bill dealing with oats and barley may be referred to the standing committee on agriculture and colonization. I know some people doubt whether I truly represent the farm constituency that I have the honour to represent, but, apart from two or three years overseas at one time, I have farmed all my life and I think I know something about the desires and wishes of the people whom I represent.

As to this matter of pensions, this is a government monopolistic board at this time. The officials of the wheat board are appointed by the government. The producers have no option at this time but to deliver their wheat to this board. There are some 676 full-time employees and twenty-eight part-time employees. My colleague, the hon. member for Portage la Prairie (Mr. Miller) was able to obtain that information for us. I just wish to quote a short list of the employees to whom the producers will be called upon to contribute. Of those 676 employees, those receiving under $1,000 a year number 103; $1,000 to $2,000, 388; $2,000 to $3,000, 122; $3,000 to $4,000, 26; $4,000 to $5,000, 6; $5,000 to $6,000, 7; $6,000 to $7,000, 2; $7,000 to $8,000, 8; $8,000 to $9,000, 2; $9,000 to $10,000, one; $10,000 to $15,000, 11; over $15,000, one. That will give the house some idea what these officials are receiving today. According to the minister who introduced this measure, pensions will be paid on a contributory basis, fifty-fifty, which means that the board contributing the 50 per cent will charge that amount to the producers of any and all grain which they are handling at that time, and that is a principle to which I take strong objection. I say if this is a government board, one of the only boards with an entire monopoly that we have operating in Canada today, with government appointees, I want to make it clear on this one point that we are not objecting to pensions as such. I am a strong believer in pensions. But as regards a board such as this, appointed by the government, if they are to pay pensions on a fifty-fifty contributory basis, the board's 50 per cent contribution should be taken out of the consolidated revenue fund of this nation. That is my point there.

If we voted on this measure at this time we would be agreeing to the principle of the bill which says that the board shall pay the 50 per cent contribution, and if the undertaking is carried out to divide the bill that would be part of the basis of payment, unless eliminated at this time. We are anxious to see the farmers get the payments as quickly as possible.

With respect to payments, I want to say something with regard to wheat also. The Canadian wheat board handled 335,108,000 bushels of wheat in the 1946 crop year. Last year the then Minister of Trade and Commerce (Mr. MacKinnon) and the present Minister of Agriculture (Mr. Gardiner) said there was a difference of seventy-seven cents on that crop as received by the farmer to date. True enough we shall have to take into account the further payments that will be made now and in the future; and whatever those are, they will reduce that difference. Anybody can multiply that by the amount of grain handled and he will know the loss the farmers have taken there to date.

Just prior to the announcement of the United Kingdom wheat agreement in the summer of

1946, I received from many farm organizations in my riding resolutions asking that there be an initial payment at that time of $1.80 a bushel for the 1945, 1946 and 1947 crops. They went farther than that, because at that time the payment had not been made on the participation certificates for 1943 and 1944, and they wanted payments made at that figure on those years as well. Many of those farmers who sent in those resolutions at that time were members of the Manitoba pool. It was estimated by the minister that the board would handle some 270 million bushels of the 1947 wheat crop. I want to say that at September 2, 1947, just about the time when harvesting becomes general on the prairies, class 2 wheat was quoted at $2.78 a bushel. On October 1, or practically a month later, it was quoted at $3.17 a bushel. Some time later on in the year, and at the first of this year, it was as high as $3.42. The Canadian farmer was receiving, on the average, for No. 2 northern wheat at the elevator, $1.17 a bushel. That is what he has received to date on the 1947 crop. Then, if I understand the situation rightly, all available class 2 wheat of the 1947 crop had been contracted for by January of this year. I understood the Minister of Trade and Commerce (Mr. Howe) to say that, and that the estimated surplus for the year's business would be some $80,000,000. If you take into account the difference between the world price and the actual price received on the 1947 crop, you will have some idea of the loss there will be there.

On October 1, 1947, the Prime Minister (Mr. Mackenzie King) announced that under the United Kingdom-Canada wheat agreement Britain would pay $2 a bushel, basis Fort William, for the 1948 crop, effective August 1, 1948. On the date of this announcement class 2 Canadian wheat was quoted at $3.17 a bushel. When the original contract was announced in 1946 at $1.55 a bushel, basis Fort William, class 2 Canadian wheat was quoted at $2.05 a bushel. That is a great contrast. According to the debate, in the words of the Minister of Trade and Commerce, there should be somewhere around $234 million of the farmers' money in the wheat board's hands for the years 1945, 1946 and 1947 for disbursement. On approximately 842 million bushels handled in those years, that would mean approximately twenty-seven cents a bushel if it were all paid out on that wheat. If, as the Minister of Agriculture has suggested, twenty cents will be paid out in the near future, that would bring the payment received by the farmers net to about $1.35 a bushel when that payment is made. If the crop yield for 1948 and 1949 is the same average yield as it has been for the past three years, and if all of these next two crops for 1948 and 1949—including the contract to Britain, domestic consumption in Canada and other wheat disposed of—is sold for $2 a bushel—$2 for it all in the next two years—then there might be approximately another eighteen cents for disbursements on a total of 1,402 million bushels of wheat handled by the board over those five years, which would net the farmer an approximate average for those five years of $1.53 a bushel. I am going to repeat that on those figures before us—some of which are only estimates while others are actual figures—the greatest gamble in wheat in Canadian history was negotiated by the Minister of Agriculture during 1946, through the Department of Trade and Commerce of this government. This gamble will cost the Canadian wheat farmers many hundreds of millions of dollars that will never be regained by those producers. I feel sure of that at this time. The Minister of Agriculture stated in his argument earlier in this discussion of the resolution, as reported at page 1717 of *Hansard:*

> I am surprised to hear hon. members who represent agriculture constituencies, and who should know the views of their own people, talking in the manner in which they have talked.

I presume that was meant partly for me, Mr. Speaker. In the same debate he puts some figures on *Hansard.* He was talking about the 1945 crop. He said, and I think his figures were correct, that the Canadian average was $1.15 a bushel and the United States average was $1.50 a bushel for 1945. For 1946—

Mr. GARDINER: That is not what I put on the record. I put on the record the advance for the 1945 crop was $1.15 to the average farmer, not the price, as compared with the United States price.

Mr. ROSS (Souris): That is exactly what I meant. I said probably the amount of money already received by the Canadian farmers, and I have been making comparisons. My argument has been that there was still more money to pay. I am not going to quibble about the odd word.

Mr. GARDINER: Anyone who reads *Hansard* will not be misled.

Mr. ROSS (Souris): That is the initial payment.

Mr. GARDINER: The average initial payment in 1945 was $1.15.

Mr. ROSS (Souris): That is right.

Mr. GARDINER: We propose under this legislation to pay out more on the same wheat.

Mr. ROSS (Souris): I know. I have already estimated another twenty cents at this time.

If that went on and in 1948 and 1949 there were average crops which were sold at $2 a bushel, there would be another eighteen cents to pay, certainly not over twenty cents on the total; and the farmer would receive $1.50 and some cents for this year. That should be quite accurate.

Mr. GARDINER: No.

Mr. ROSS (Souris): What is wrong?

Mr. GARDINER: It should be much higher than that.

Mr. ROSS (Souris): I would hope that it would be, but I do not know what sort of mysterious operator we have in charge of this system. In view of the remarks about those who represent farm ridings, in discussing this matter—and the only opportunity we had to discuss that wheat bill with Britain was under trade and commerce estimates during 1946—at page 4832 of *Hansard* of August 15, 1946, I said:

I have received several resolutions from farm gatherings in my own constituency. May I quote one of them? It is not an official farm organization, but it is a large gathering of farmers in the east end of my riding. I wish to read the portion which has a bearing on this subject:

"We also consider that the 12½ per cent raise in farm implement prices, which with increase of fuel and other costs to farmers is of serious national and even international concern. For fifteen years the agriculturists of the west have, through no fault of their own, seen their equipment deteriorating with replacements difficult to make, and now, at a time when such great appeals are being made to produce more food, the government allows rising production costs with no comparable income increases and no adequate assurance of any. The farmer has never refused to produce at a cost plus 5 per cent basis nor has he gone on strike. Therefore we feel justified in strongly urging the government to either insist on lower production costs to farmers through price control or else to bring produce prices up to at least the level of the United States farmer's returns.

"We also believe that outstanding wheat participation certificates should be settled for on the basis of $1.80 per bushel."

That was before the announcement was made as to the price which will be paid for the 1943 certificates.

"If Canada wishes to sell wheat at a price below that obtained by competitors, then all Canada should meet the difference in price, not force the farmer to make the donation.

"And further that copies of this statement be mailed to the Prime Minister, the Minister of Agriculture and the member for Souris . . ."

I think I was representing those people and spoke for the vast majority of the people in the part of the province that I have the honour to represent. I also put on a quotation from a number of briefs at that time, and I will not quote all of them. But they pointed out, as may be found at page 4833 of *Hansard:*

It is a sellers' market and, as such, offers a great chance to rebuild our wheat trade on a broad and highly diversified base. Something much better than the pre-war diversity of markets might be achieved in the reconstruction period under freer conditions of trade and with a vigorous selling policy.

That has proved to be very true. Later on I said, at page 4833:

I should like to ask the Minister of Trade and Commerce whether anything is proposed for the purpose of holding down the export price of manufactured goods, lumber and other materials, as was done throughout the war years for the farm producer in the matter of wheat. I am sure that many farmers are misled. The pool officials themselves have been. When they said they wanted a contract of this type over some years they understood that the same deal would apply to the principal manufactured goods which the farmer finds it necessary to procure in this country. But that is not the case, because these other prices are rising daily in Canada . . .

They certainly have risen since those days. According to a pamphlet put out by the Bank of Canada, prices of farm implements have increased by some 27½ per cent, some types of tractor fuel by 50 per cent, binder twine by 126 per cent and building materials by 103 per cent. So the very situation we pointed to at that time, the first and only opportunity we had of discussing that agreement, came about. We were the only party in this House of Commons to oppose strenuously that contract and the price set then. We gave our reasons for our opposition; and what we predicted has come true beyond our expectations, I am very sorry to say.

I do not wish to take up more of the time of the committee right now. I wish the government had seen fit to divide this measure as I suggested on behalf of this party in the early stages. If that had been done the provision for payment of the farmers' own money now held by the wheat board could have been put through, and the government could have gone ahead and issued the cheques as soon as they wished.

Mr. W. A. TUCKER (Rosthern): I have not spoken previously on this motion, and I feel that I should say something about it before it goes through. I shall try to be as concise as possible in dealing with the various points covered by the bill. First it makes provision for pensions for officers and employees of the wheat board, half the cost to be paid out of the receipts of the board and the other half to be contributed by those employees and officers. Of course it is

recognized that in working for the wheat board these people are serving the interests of the farmers, so I suppose it was felt by the government that it would be fair to take the same attitude in respect of their superannuation that would be taken by any business firm. However, I would say that there seems to be a tendency to set up more and more superannuation schemes. We have a superannuation scheme for members of the civil service. Now we have a superannuation scheme for the employees of the wheat board. Superannuation schemes are being set up here and there, and in the long run the average citizen must pay the cost of those schemes. As far as we who live on the prairies are concerned, we find that the man with a little business of his own, or the man who works for a small concern, or the farmer or other person who is self-employed, is contributing to superannuation schemes for other people but that he has nothing for himself except the old age pension, which at present is not paid until he is seventy years of age. So I would say I believe that without further delay we should move at once to protect the people who pay the taxes of this country and thus help pay the cost of these different superannuation schemes, by setting up an over-all superannuation scheme—contributory, of course—for all Canadians. I think this piecemeal approach is not the right approach, though I would not oppose it in this case because it is being done in other instances. I understand that in the civil service a person contributes to the scheme and may retire at sixty, if he wishes, while he must be superannuated at sixty-five. The taxpayers of the country help pay the cost of that scheme; and it seems to me the people who pay for a scheme like that for the benefit of those who work for them should have the right to a contributory scheme for themselves on exactly the same basis.

The next purpose of the bill is to make provision for an increase in the fixed minimum price payable to producers. It has been said that, as soon as this bill goes through, not less than twenty cents will be paid in respect of the 1945, 1946, and 1947 crops. In that connection, as I said a few moments ago on the point of order, in the part of Saskatchewan I represent, as well as a good deal of the rest of Saskatchewan, there has been a crop failure as great as the worst we have had in the last twenty years. Many of the farmers in the constituency I have the honour to represent in this house will barely get back their seed, and if it were not for the P.F.A. payments they would be in a very difficult position. So they are looking for the P.F.A. payments and these payments to help put in their crops. I have been urging the government since last October to get out these payments by not later than the middle of this month.

I can understand the position the government are in with respect to this matter. They want to get these payments out. They realize the necessity of getting them out; yet they are faced with the threat of sustained opposition if they want to put through the remaining part of this measure. In my humble judgment there is no need to send any of this to a committee. If on this important question of the handling of wheat, oats and barley the members of this house did not yet know what the situation is, it would be a strange thing. It should be possible for them to vote on this question without having the same people make speeches over and over again about it. It seems to me that it should be possible for us to vote on this entire bill before the Easter adjournment, including that part dealing with coarse grains. Personally I was sorry the official opposition were supported by people who in this house so particularly represent the prairies, the C.C.F. and Social Credit parties, in their attitude that we could not put through this bill as it now stands. I regret that they were so anxious to divide the bill, knowing as they must have known, that, by so dividing it, the very earliest the handling of oats and barley could be brought under the wheat board would be in respect of the 1949 crop year. When they supported that viewpoint they must have known that they were actually killing any chance of this measure coming into effect in respect of the 1948 crop; or if they did not know that they should have known it.

Mr. NICHOLSON: Who is talking of not getting it through?

Mr. TUCKER: Why did you suggest that part of the bill be sent to a committee? The hon. member for Mackenzie has seen fit to ask me a question. I ask him, from what he has seen of the opposition on the part of the official opposition, to bringing oats and barley under the board, if he honestly thinks that if this matter is sent to a committee it will come back in time to be dealt with before Easter, and in time for the provincial legislatures to deal with it.

Mr. NICHOLSON: Will the hon. member permit me to answer that question?

Mr. TUCKER: Yes, if you think you can.

Mr. NICHOLSON: My reason was in order that flax and other seeds might be included and made mandatory. That is our only reason.

Mr. TUCKER: I see; that is the answer. They say they want to prevent it from applying to the 1948 crop in order to have it apply to other grains.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: That is the effect of what the hon. member said. He did not deny that the effect of what they are doing will be to prevent this from applying to the 1948 crop. But he says the reason they are ready to do that is that they want it to apply to flax and rye. Well, my answer to that is that it seems a pretty weak excuse, because if we got it through to apply to oats and barley there would be nothing to prevent us from extending it to flax and rye at the next session. In that way we would have had it working in regard to oats and barley with respect to the 1948 crop, and we would have had it in effect just as soon in regard to flax and rye as they will have it by doing it their way. The only effect of what hon. members are doing is this: They are preventing this organization from being set up to apply to oats and barley of the 1948 crop. Let there be no mistake about it; that is what they have done.

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: I know they hate to have the truth put to them, but that is their attitude all the time. They want to state their viewpoint, but when anyone else wishes to state his they ring out their anvil chorus, just to howl him down. This is the beginning of interference with free speech. This is why we in Saskatchewan have to pay thousands of dollars to put out C.C.F. propaganda at government expense.

And, if I may go on—

Mr. BURTON: The Saskatchewan election has not yet been announced.

Mr. TUCKER: Why, then, are you putting out so much propaganda at government expense? Then, may I go on—

Mr. SPEAKER: I would ask hon. members not to interrupt the hon. member for Rosthern.

Mr. KNOWLES: We are on the hustings now, not in the House of Commons.

Mr. TUCKER: I have pointed out the exact position of the C.C.F. party, and it cannot be denied.

Mr. BURTON: Point out the position of the Liberal party, then.

Mr. TUCKER: Of course, when this is pointed out and the government, in order to try to get money out to the farmers, says it will divide the bill in accordance with what they have been pressing for, they get up and say, "Oh, let us go ahead with the whole bill"—that is after they have got the government to commit itself to dividing the bill. Then they will be able to say, "We wanted to get the cheques out, and we wanted to get the other put through, too."

If this bill is divided, everyone knows where the official opposition stood in the matter. They have not jumped back and forth; they have been consistent. They were against the compulsory features of the bill, in regard to oats and barley. But what has been the attitude of the C.C.F.? Oh, they want it divided. Now—

Mr. DIEFENBAKER: On a point of order, that is a misrepresentation of the worst kind.

Mr. KNOWLES: So is the whole speech; so why worry about it?

Mr. GARDINER: Why is it?

Mr. TUCKER: Probably the hon. member can correct it later, then. I can only speak as I understood the hon. member's position. I listened last night to the hon. member for Calgary West (Mr. Smith), when he was greeted with applause, loud and sustained, from all members of the Progressive Conservative party.

Mr. KNOWLES: What about the members on the other side?

Mr. TUCKER: Not being a mind reader, I must judge their position from what they say on the floor of the house. That is all I can say to the hon. member for Lake Centre.

I will deal now with the C.C.F. After all, I am not so much concerned about the Progressive Conservative party.

Mr. WRIGHT: You have a coalition with them out there; why should you be?

Mr. TUCKER: No coalition at all. There is no coalition.

Mr. WRIGHT: There is in Melfort.

Mr. TUCKER: The Conservatives out there think more of their province than they do of their party, and they are ready to support us in order to lick you.

Mr. ROSS (Souris): You hope.

Mr. TUCKER: I do not think there is any doubt about it. If I may say, in regard to this particular bill, that is the state of affairs in regard to this matter. So far as I am concerned, I think there is enough support behind this government measure, in spite of the opposition of the Progressive Conservative party, to put the bill through as it is, and

in time that we can have the provinces pass the necessary complementary legislation and have it applied to oats and barley in 1948.

I ask for the support of those representing the prairies. I ask that they oppose this idea of dividing this bill, as a result of which it would not come into force and apply to this year's crop. I ask for majority rule in this parliament, and I suggest that this bill be put through because a majority in this House of Commons wants it, and that it be put through at this session of parliament so that it will be effective at this session.

Mr. KNOWLES: Let us do it right now.

Mr. TUCKER: Oh, I know you would like to do a lot of speaking so that nobody else could say anything. I know that. I have seen that game before, on your part.

Mr. WRIGHT: You would rather talk.

Mr. TUCKER: If I may proceed—

Mr. BURTON: Why did you not ask for it two months ago?

Mr. TUCKER: I did. If you had listened to my broadcast report to the people of Saskatchewan—

Mr. BURTON: Now we are getting it.

Mr. TUCKER: —you would have heard me saying that I had asked the government last October to pass the necessary legislation to get these payments out not later than the 15th of this month. And I venture to say I asked the government for this legislation long before the hon. member for Humboldt (Mr. Burton) ever thought of it. Indeed it is probably after he heard my speech that he thought of it.

In regard to the attitude toward the money being dealt with in this bill, may I say I wish to express my support of the stand taken by the minister, that as soon as it was clear that any of the money could be paid out from time to time, it should be paid out; and after all, this is the farmers' money. There should be no thought that, when a bill like this is put through, the money is being taken out of the consolidated revenue fund. The money belongs to the farmers, and the government should be in a position to pay it out as it becomes available, and as it is made safe to do so.

Some question has been raised as to whether the people really approve this legislation, which means that oats and barley will be brought under the wheat board and handled by the wheat board on a compulsory basis. I wish to deal with that for a moment. First of all I would refer to the position taken by the Canadian Federation of Agriculture which, I think, is admittedly a responsible organization and one which represents all farmers in Canada.

Mr. SMITH (Calgary West): Why do you say that?

Mr. TUCKER: I say that because I believe it. That is a good enough reason for me to say anything—because I believe it.

They made a submission to the government on February 26, some sentences of which I should like to read. They said:

> Certain fundamental principles of federation policy stand out, apply equally as well now as at any former time, and have guided us in respect to present-day policies, and to recommendations we are making herewith.
>
> The federation has repeatedly advocated market and price stabilization measures of varying types and varying degrees.
>
> In line with this policy we are urging:
>
> (a) International commodity agreements.

I wish to commend the government for doing all it can to bring about international agreements in connection with wheat. I believe that that will assure the producers of the world, those who produce the basic food—wheat—a reasonable return for their labour. It will also mean that there will be less scarcity at one time with people going hungry and when the farmers have little to sell, and will avoid over-supplies of food at other times when the farmers would have to sell at low prices. It continues:

> (b) Stabilization of feed prices, and the placing of the marketing of coarse grains under the Canadian wheat board (one member body dissenting).

Only one body dissented from that submission.

> (c) Continuance of the freight assistance policy—

Mr. SMITH (Calgary West): Who was that? I know more than one.

Mr. TUCKER:

> —of feeds until such time as it may be embodied in a national feed grain policy.
>
> (d) Floor prices for agricultural products.
>
> (e) Having many marketing schemes operating successfully under provincial legislation, we again emphasize our desire and need for federal marketing legislation.

I endorse that entirely; and I ask the government—and I am sure they will do so—to pay close attention to these considered representations of the farmers of this country, not only the farmers of western Canada, but farmers from Prince Edward Island to British Columbia. This is the most representative

organization, so far as the farming industry is concerned, that has ever been organized in this country. The brief goes on:

In representations to the government the Canadian Federation of Agriculture has always advocated moderate prices, and have never asked for "all that the traffic would bear." Canadian farmers have consistently supported stabilized prices fair alike to producers and consumers of our farm products.

It is a great tribute to the far-sightedness and statesmanship of the farmers of this country that they have not sought to get the last nickel they could as a result of the extremities of the starving peoples of the world. Rather, they have said, "We would rather have a fair price now, with the hope of some stability running along through the years."

Mr. LOW: Where is the stability?

Mr. TUCKER: We have stability, I hope, in regard to wheat.

An hon. MEMBER: You hope.

Mr. TUCKER: All you can have about anything in this present day and age, in these difficult times, is a confident hope based upon reasonable policies. I submit that when thirty-six nations of the world get together to sign a pact in regard to the basic price of wheat, a pact which will give some security to the wheat producer, and some guarantee to the consumer that in days of scarcity he will not be charged a price which he cannot pay, it should ensure that the producer will not be faced with a recurrence of the situation we had in 1932 when people had to sell No. 1 northern wheat, beautiful wheat, for nineteen cents a bushel, less than what it cost alone to harvest and thresh; we hope that with this pact those conditions will never occur again. To see to it that they do not occur again, we must not listen to the suggestion that we should try to grab the last nickel we can today. If we take the last nickel we can today the time may come again, as it came following the first war, when the price will go down far below the cost of production.

I shall go on and read further from this submission:

As we have indicated, our dairymen, poultrymen, and livestock feeders are keenly concerned over the rise and fluctuations in the cost of feeds since decontrol, and are urging measures to stabilize these costs.

Our main recommendation in this respect is contained in a resolution passed by our annual convention, which urges once more that the Canadian wheat board become the sole marketing agency for all other grains in addition to wheat. (One member body has recorded its dissent.)

In regard to what the farmers really want I would much rather take the opinion of these elected and trusted leaders of farmers from Prince Edward Island to British Columbia than I would the opinion of the hon. member for Calgary West (Mr. Smith), the hon. member for Souris (Mr. Ross) or any other person who speaks as they have been speaking in this house. The presentation continues:

This resolution asks that the necessary amendments to the wheat board act do not disregard the principle that the wheat board be an agency operating primarily for the benefit of, and in the interests of grain producers; it asks that the purpose of the legislation be to enable the board to stabilize grain prices and prevent short-term fluctuations; and that it be provided always that the board's domestic operating and selling policy shall carry out the spirit and intent of a general agricultural policy that shall effect a proper relationship between grain and livestock prices, as determined by the federal Department of Agriculture after consultation with the Canadian Federation of Agriculture.

There is the basic idea of the farmers of Canada. They want stabilized prices at reasonable levels. From the time a man puts the seed in the ground, farming is a tremendously risky business. Wind, frost, drought, pests, hail;—all these things are items we expect governments to help us try to overcome. Pests, insurance against—

Some hon. MEMBERS: Oh, oh.

Mr. TUCKER: I was not thinking of the C.C.F. when I mentioned pests, although they seemed to be rather self-conscious. I say that there is an attempt made by all reasonably honest people to try to eliminate pests and also to ensure against things that cannot be eliminated, such as hail and drought. Just as there is that struggle to eliminate some of the risks connected with farming in regard to the production of the product, so the farmer has said that he wants to be protected as much as possible against the ups and downs of demand and supply in regard to the price of his product.

He knows that the consumer is always willing to pay a fair price for his product, that the consumer would rather pay a fair price than have it go so low that the time would come when production would fall off and the consumer could not buy it at all. So he realizes that any long-run policy which gives a certain measure of stability to the price of food products is in the interests, not only of the producer but of the consumer.

Mr. ARGUE: Do you believe in price control?

Mr. TUCKER: No, if you do not control some other matters at the same time. Furthermore, I do not believe in the attempt to control prices by government edict.

Mr. ARGUE: Prices of farm machinery are going up every day.

Mr. TUCKER: That is another matter. I have only forty minutes in which to speak and I shall be ready to deal with that at another time. I say that what the farmers are asking here is that there be some measure of stability in regard to the things they have to sell. It is not a matter of prices being fixed by the government, it is a matter of saying that there shall be some floor lasting for some considerable time under prices, and then, in return for that, that there shall be some sort of ceiling. If the consumer is willing to pay a minimum price that is a fair price, then in days of scarcity he will not be asked to pay an exorbitant price at his end.

The suggestion has been made that the Canadian Federation of Agriculture is not representative of the farmers. I intend to answer that charge in this way. There is in Saskatchewan a gathering every year called the Saskatchewan association of rural municipalities. That gathering is representative of all rural municipalities in the province. The people gathered there were of all political parties. This matter was brought up at a recent meeting of that association. I cannot summarize better what they said about agricultural policy than to read an editorial which appeared in the *Star-Phoenix* of March 2, 1948. This reads:

> Delegates to the municipal convention debated farm marketing policies. A persistent campaign has been directed from Winnipeg to convince the Saskatchewan farmer that he should demand "the world price" for his grain. Not many who argue for "the world price" attempt to define which price they consider is "the world price." The inference always is that it is higher than the price the Saskatchewan farmer is receiving. A resolution urging the convention to ask for "the world price" and that the federal government subsidize wheat sales in the domestic and United Kingdom markets to bring growers' returns up to "the world price" was tabled after some delegates had asked for a definition of "world price." The resolution was brought out at a later session and amended to ask "parity price" for wheat. This resolution was approved. Debate on the resolution indicated that a large number of delegates were more interested in stable prices than in exacting momentary famine prices.

I commend that to the hon. member for Souris.

> Some of the delegates reminded the convention that if the farmer demanded top prices now he could scarcely ask for protection against possible depressed prices in the future. A resolution opposing the wheat agreement between Canada and the United Kingdom was rejected without debate. One other resolution fits into the general pattern of farm thinking about grain. It called for the closing of the Winnipeg grain exchange and the sale of coarse grains through the wheat board. All this adds up to an acceptance in Saskatchewan of the federal government's wheat policy. The delegates sheered off from any suggestion to destroy the marketing structure built up since the end of the war.

I suggest that there is a most convincing demonstration of the attitude of the western farmer toward the United Kingdom-Canada wheat agreement, toward the wheat board, toward closing the grain exchange, and toward this bill bringing oats and barley under the control of the wheat board. There were the elected leaders of the farmers; there were the representatives of the municipalities of Saskatchewan, Liberals, Progressive Conservatives, C.C.F.'ers, members of all political parties; that is what they decided almost unanimously. This indicates that the farmers of the west approve the stabilization policy of the present government. Those who attacked it by telling them that they were losing money did not get the approval of that convention. They realized that the first step toward 35-cent wheat was at the time to demand $3 for their wheat.

I wish to pay tribute to the far-sightedness of the farmers of the west. They are not listening to the propaganda put out from Winnipeg. They are thinking of past history and realizing that if they now ask for the world price the time will come when it will be too low for them to get along on it. They want stability and they appreciate what this government has done in giving them stabilized prices at a reasonable level. They approve the Agricultural Prices Support Act, and I for one hope that will be made a permanent policy of the government of the country. Just as the working man is entitled to fair minimum wages and to a guarantee of a fair standard of living while he gives his labour to the country, so the farmer who produces the food of the country and of the world is entitled to be guaranteed a fair minimum return for his work, so that he can keep his family and his dependents in a reasonable measure of comfort and educate his children and provide them with medical attention and all the other amenities of life.

I hope that every member will support the concrete steps to bring about protection and basic security for the farmers. What has been the foundation of every nation?—the sturdy farmers of the land. Our farmers stood by us in the days of war when they did not ask for the last nickel for their products. They stood for control of prices and they made stupendous efforts to feed us and our allies.

They stand by us in these days of famine in the world when again they say, "We do not want the last nickel".

They are saying to their leaders today, "Let us not be led away by asking for the last nickel. Let us realize that if we are to have a stable price we must not ask for the highest price possible in days when prices are rising if we do not wish to take the lowest price when prices are falling".

Therefore I commend the government for the way in which it is going steadily forward with a program for the purpose of bringing stability to the farming people of the country, the way in which it is going ahead step by step toward the goal of making the farmers' position more secure.

Let me say this in conclusion to those who declare that this is an attack on personal liberty. The only way in which the compulsory part of the oats and barley section of the bill can operate and stay in operation is if the provincial governments concerned, particularly the prairie provinces, are willing to give that board necessary powers. The farmers have asked almost unanimously that these powers be given. Is this not a democratic parliament where the will of the people should prevail? It should not be thwarted by a small and determined group, and I say that if it turns out that all the grim forebodings of the Progressive Conservative party prove to be in some measure correct, that, because the farmers ask to have oats and barley handled by a government marketing board, therefore all liberty is gone, then there is nothing to prevent them from taking action through their provincial legislatures to remove the necessary compulsion. Remember it is the provincial legislatures that will provide the necessary compulsion in this matter. This is only enabling legislation, and at any time that the farmers feel their rights are being interfered with they can withdraw the support they are giving through this complementary provincial legislation.

I say that the farmers of the country expect that their wishes in this matter, in the handling of their products, shall be recognized by this parliament. I ask the government to go ahead and take the sentiment of the house on the whole bill. Let us see who the people are who are against the will of the farmers being carried out with reference to this question of oats and barley. Do not let them try to bury it. I ask the government to go ahead with the bill and take the sentiment of the house upon it.

Mr. P. E. WRIGHT (Melfort): I do not wish to deal immediately with the remarks of the hon. member for Rosthern (Mr. Tucker). First I wish to compliment the hon. member for Calgary West (Mr. Smith) on his very fine speech yesterday. I do not know when I have heard so much nonsense talked so eloquently in the same length of time. First he set out to tell us about his close connection with agriculture. His maternal grandmother was married to a farmer who lived north of Regina, and on the basis of that close connection with agriculture he proceeded to tell us that the farmers of Canada were opposed to having oats and barley and coarse grains under a compulsory wheat board. He made little of the directorate of our wheat board and the Canadian Federation of Agriculture. He said they were professional advocates who did not know the will of the farmer. He knows. His maternal grandmother was a farmer's wife; he is a lawyer, and he knows much better what the will of the farmers in this matter is and what the farmers want with regard to this measure.

As far as I am concerned and, I believe, as far as the members of the house are concerned, I think it would be much better for us to follow the resolutions and suggestions made to this parliament by agricultural organizations right across Canada.

Our Canadian Federation of Agriculture have for at least the last two years advocated that all grains should be placed under the wheat board act and handled in that manner. It is the first time we have had agreement between eastern and western agriculture on this matter. We find that the farmers of the east, having met in the Canadian Federation of Agriculture with farmers from western Canada, and having there sat down and discussed the various problems in the marketing of grain, have come to a unanimous decision, and that unanimous decision is recorded in the resolutions of the Canadian Federation of Agriculture.

I think, therefore, the least that this parliament could do, the least that we as members could do, would be to implement this legislation as far as oats and barley are concerned. We have in western Canada three different provincial governments. The hon. member for Rosthern has stated that the referring of this bill to the committee on agriculture would be likely to defeat the purpose of the bill being implemented in 1948.

I am doubtful, from the actions of this government, whether they ever intended this bill to go into effect in 1948. If they had, they would have acted differently. They would

have brought it in earlier, in the first place; and in the second place they would have had some consultations with the provincial governments with respect to complementary legislation, because that is an important point. It is indicated by various telegrams and letters which I have, and which I will read, that it is necessary that the legislation be approximately the same for the three provinces.

If the government were as anxious as the hon. member for Rosthern has suggested to have this legislation passed they would have called in these people before this and suggested to them some method whereby the complementary legislation could be passed in the provinces. That was one of the reasons why we were suggesting that the bill should be divided and go to the committee on agriculture. The intention was not to hold it up. It was simply so that the various governments could come here and there could be some consultation, some agreement reached as to the necessary legislation which should be passed by the provincial governments.

As far as the government of Saskatchewan is concerned, I have a telegram sent by the premier of that province to the Right Hon. C. D. Howe, Minister of Trade and Commerce, on March 1. It states:

Press reports you as stating that complementary legislation must be passed by provinces to enable wheat board to handle coarse grains. Saskatchewan government anxious that wheat board have this power as soon as possible and therefore regrets that we have not been approached with a view to having complementary legislation passed. Will you forward to us as quickly as possible draft of complementary approved legislation which in opinion of Department of Justice would give to wheat board necessary powers to handle coarse grains. Haste essential if this legislation to be dealt with by legislature during present session.

In reply to that, the Minister of Trade and Commerce wired the Premier of Saskatchewan to this effect:

Thanks for your wire March first *re* complementary legislation to enable wheat board to handle coarse grains. I am asking Minister of Justice to communicate with you. You will appreciate that federal legislation is still at resolution stage with indications of strong opposition which may delay enactment.

Immediately on receipt of that wire, the Premier of Saskatchewan wired the Minister of Justice to this effect:

Would appreciate reply to my wire March second *re* complementary legislation to enable wheat board to handle coarse grains. Inconceivable that resolution before parliament unless bill prepared. Would appreciate draft of legislation which in opinion of your department would enable wheat board to handle coarse grains. If you prefer it will have one of our law officers fly to Ottawa to discuss drafting necessary legislation. Please advise.

The Minister of Trade and Commerce wrote a letter to the Premier of Saskatchewan outlining in some measure the necessary steps. In reply to the premier's wire of March 1, he said this:

Ottawa, March 4, 1948

Dear Premier Douglas:

I have referred to the Department of Justice your recent request for a draft of approved legislation for the control of the marketing of oats and barley within Saskatchewan, to be complementary to the proposed amendments to the Canadian Wheat Board Act. I am informed that the control of the marketing of oats and barley within a province can be established under provincial legislation by several different methods, and that the necessary provincial statute can take one of several forms, depending on the scheme of control to be employed. As you know, it is contemplated that complementary legislation for this purpose should be passed not only in Saskatchewan but in other provinces, and it is felt that the controls to be established by the provinces should be uniform in form and effect in each province, and that such provinces should mutually agree to the duration and form of the provincial legislation.

I feel that it is the responsibility of the provinces, rather than the dominion, to select the form and to determine the duration of the legislation and the form of the controls to be established in relation to the marketing of oats and barley within each province. Until the provinces have agreed to a uniform scheme of control and have determined the duration of that scheme, it does not seem advisable for consideration to be given to the drafting of a statute for any one province. When such agreement has been reached, I feel that a uniform statute can be prepared by the legal advisers to the provinces.

I have discussed the subject of complementary legislation with Mr. R. H. Milliken, K.C., of Regina, solicitor for the Saskatchewan wheat pool, who seems to be thoroughly familiar with the problems involved.

On March 8 Premier Douglas replied to this effect:

Dear Mr. Howe:

Thank you for your letter of March 4 regarding the drafting of complementary legislation for the purpose of giving the wheat board power to handle coarse grains. As I stated in my wire, the Saskatchewan government is most anxious to pass the necessary legislation for this purpose, and would like to have this done during the present session. I note you suggest that the provinces should agree to a uniform scheme of control and draft legislation accordingly.

It would seem to me that if the federal government is really desirous of having this complementary legislation passed, they would either prepare draft legislation and submit it to the provinces concerned and ask them to pass it as quickly as possible, or they would take the initiative in calling those provinces together to confer with the Department of Justice in order

that legislation could be drafted. I would therefore urge that you let us have a draft proposal as quickly as possible or that you urge the Department of Justice to invite the provinces to send representatives to Ottawa with a view to drafting uniform legislation at the earliest possible date.

The Saskatchewan government is prepared to have one of its law officers in Ottawa on 48 hours' notice if you will advise us of such a meeting. Otherwise, we would appreciate having a draft bill for consideration at the present session of the legislature.

It is quite evident that if this government is as anxious as the hon. member for Rosthern has indicated to have this legislation passed in 1948 and put into effect, then it should have done something more than what has been done to date with regard to having complementary legislation passed.

Mr. HOWE: May I ask the hon. member a question?

Mr. WRIGHT: Yes.

Mr. HOWE: If the government of Saskatchewan wished to pass the buck on a contentious type of legislation the logical thing to do would be to ask the federal government to draft the bill, would it not?

Mr. WRIGHT: Saskatchewan is not trying to pass the buck to anybody. All that government are trying to do is to get this measure into effect, and they are prepared to co-operate. They are not the type of government that is all the time passing the buck. They are prepared to take responsibility when the responsibility is theirs. They have never given any indication that they wanted to pass the buck.

Mr. GARDINER: How could the Saskatchewan government, or anyone else, draft legislation which is complementary to legislation that has not yet passed this house?

Mr. WRIGHT: The answer to that question is simply this. The minister had a draft bill which he was fairly sure would pass the house. That certainly is no excuse.

Mr. HOWE: It did not look like that last night.

Mr. WRIGHT: He intends to put it through, and it is very likely to go through parliament. If the bill had been amended in parliament, certainly the complementary legislation could have been amended much more easily than entirely new legislation having to be drafted.

Mr. GARDINER: Based on the procedure so far, it would not get through in time for their present session.

Mr. POULIOT: I move the adjournment of the debate.

Mr. WRIGHT: No; it is six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

On the order:

House in committee on Bill No. 48 (Letter J of the Senate), intitled: "An act to incorporate National General Insurance Company" (without amendment).—Mr. Benidickson.

Mr. SPEAKER: I would call to the attention of the house standing order 110, Beauchesne, second edition, page 276, entitled "Bills reported together", which reads as follows:

All private bills reported to the house by any committee may, on one motion be referred together to a committee of the whole house and such committee may consider and report one or more such bills at the same sitting.

So, Mr. Benidickson moves, seconded by Mr. McIvor, that I do now leave the chair for the house to resolve itself into committee of the whole to consider Bills Nos. 48, 49, 59 and 115. Is it the pleasure of the house to adopt the motion?

Mr. REID: On a point of order, Mr. Speaker, does your ruling mean that if a member opposes one bill, the four would move into committee at one time? Or does it mean that if a member was against a certain bill, the four are opposed?

Mr. KNOWLES: This is not a second reading.

Mr. REID: I know that.

Mr. SPEAKER: Order. The bills will be taken one after the other in the committee. But instead of referring the bills one after the other to the committee, to report one after the other to the Chair, they may be referred to the committee all together. That has been the practice in the past and it is in accordance with rule 110. Is it the pleasure of the house to adopt the motion?

Mr. CHURCH: I want to have explained this bill about this insurance company.

Mr. COLDWELL: Do I understand that the bills which Your Honour proposes to refer to the committee are bills that have already been considered by a committee?

Mr. SPEAKER: Yes.

Mr. COLDWELL: The bills had second reading some time ago?

Mr. SPEAKER: Yes, and after second reading they were referred to the standing committee on banking and commerce and have been reported. Instead of having one motion for each bill, they are referred all together to the committee of the whole. Is it the pleasure of the house to adopt the motion?

Motion agreed to.

NATIONAL GENERAL INSURANCE COMPANY

The house in committee on Bill No. 48, to incorporate National General Insurance Company—Mr. Benidickson—Mr. Golding in the chair.

On section 1—Incorporation.

Mr. CHURCH: I should like to ask, Mr. Chairman, what the law of Canada is regarding these particular insurance companies. I have not seen the bill, which is from the senate. In the first place we have an inspector of insurance at the present time who is over these general life companies. They must qualify for a certificate every year. You may remember that a few years ago, away back in 1928, 1929 and 1930, my hon. friends on the left here were objecting to the policy which allowed these companies to invest the premiums, the trust funds of their policyholders in common stocks all over the world. What was the result of that policy? Some of them could not qualify for an insurance certificate. I remember when, after the stock market collapsed in 1929 or 1930—I think it was around there—some of the stock they then held was quoted at 98 today and sold for 8 on the market tomorrow. But they got a certificate under the Insurance Act and some of them were in a dangerous condition. As a matter of fact, that was admitted and was proven by my hon. friends on the left and others.

I want to point out what was done during the war by some of the companies. When our engineers, doctors and surgeons went overseas, they had a difficult time carrying out payments on their premiums because their practice was gone when they went overseas. What is the policy of the government regarding this company? The Minister of Finance should be here to answer for the finance department, because the inspector of insurance is over these life companies. I will say this about them, they are all fine companies and made a great record of life insurance in this country. There is no doubt about that at all. They are well officered and run.

[Mr. Speaker.]

What I say now is subject to what I said before about common stock. In the twenties I brought a bill in the House of Commons in order to do away with their investing in common stocks all over the world, and to see that these companies should not be allowed to invest trust fund premiums in common stock without the consent of this parliament; because, as you will remember, there were large sums of money lost out of Canada on risks by pretty nearly all of them. They could invest in common stocks all over the world. What is the policy of the government, regarding this life company? Has it passed the inspector of insurance? Of course that does not mean a great deal. The inspector just looks over the preamble of the bill, sees who the incorporators are and all that kind of thing.

There is another thing I wish to call to the attention of the committee. A great many soldiers have come back from the war, and they have had trouble over housing and all that kind of thing. A great many soldiers had difficulty regarding their policies of insurance. I raised in the house the other day the question of excessive interest rates, but I did not get a satisfactory answer. The banks were charging them 4½ per cent interest on a loan for a small amount. For example, a small businessman may have a policy. He applies to the bank for something and they will not give it to him. They have to telephone from a little bit of branch bank to headquarters in order to lend a man money on current account. He may not have adequate security. The banker tells him, "Oh, you have a policy of insurance. I will keep that as security for you. I want it as collateral in my bank." They used to charge the banks 4½ or 5 per cent. "You have to leave it in the bank for a while and then I am going to transfer you to the insurance company". What are they charging? I raised the question the other day, and there was not a newspaper in Canada that published one line of the answer; not even C.B.C. or the Canadian Press did. As to the radio, it is hopeless. Some of these companies are charging over ten per cent on policies of these poor soldiers who have paid their premiums. Every year they are paid up. What are they paying today? I can tell you. It is or may be the rate written in the policy—six per cent. There is no such thing as six per cent. Government bonds were down to two per cent. Yet the insurance companies are charging the poor people who defended this country and defended these companies at the risk of their lives, six per cent and more on their policies. That is what they are doing. The banks turn loans over to them. They want to get

the bank rates increased by this house. Some on this side of the house are advocating increased interest rates to a small man who has a store on bank interest. Some on this side of the house have advocated the raising of bank interest rates. They had better go back home and ask their constituents and ask also the bankers something about it before they propose it from this side of the house, because I am absolutely opposed to it. I can tell you I am a Conservative first, last and all the time. They can change their name all they like. I have always been a progressive, but I am too modest to call myself by that name. In those days, however, we had some support in this house for the doctrine of this party, which called for our own markets, for our own products and our own work for our own workmen.

I have nothing against the young member who is sponsoring this life insurance bill. He is a very likeable person, and I do not want to oppose his measure. But I should like to find out the policy of the Minister of Finance with regard to these life companies. Do we need any more of them at the present time? The banks charge something for transferring money from a bank to an insurance company, but the insurance companies not only charge the six per cent, as set out on the policy on their loans; they add a lot just for exchange, and I can tell you the poor people cannot stand it. There is at present no such thing as six per cent interest. During the war we got only two and three per cent on bonds.

The DEPUTY CHAIRMAN: Order. I would call the hon. member's attention to the fact that we are on section 1 of the bill.

Mr. CHURCH: You are quite right, Mr. Chairman, but I am raising the general question: do we need any more of these companies, in view of the number we have already? Some of them could not be called federal companies at all by the widest stretch of the imagination. I wonder what is the policy of the government. The Minister of Finance has control over the life insurance companies, and surely we should have some statement of policy from the government with regard to this matter. What is the minister doing? Has he recommended this bill?

Mr. FERGUSON: I would call attention to the fact that we are not discussing life insurance. Any company carrying on a fire and casualty business in this country cannot carry on life insurance; and this company cannot make loans. The committee should understand that we are trying to keep this money in Canada for Canadians, and I believe we should issue more charters along these lines. At the present time about fifty per cent of the premiums collected in this country for casualty and fire insurance goes to foreign countries. It is just too bad that we have not twice as many Canadian companies, and that the citizens of Canada do not insist that their money go to those companies. This is one way of keeping money here and creating employment for Canadians. This is a good charter.

Mr. COLDWELL: I quite agree with the last speaker that too much of the money we spend on insurance premiums is drained out of Canada. That is true, and I think we shall have to consider ways and means of keeping that money in Canada. But I do not believe we should adopt the method proposed under this bill, that of setting up another company of this description. What has been done in Saskatchewan in connection with automobile insurance should, I think, be a lesson to all in Canada. When a person in Saskatchewan takes out a licence to drive an automobile he also pays a dollar extra, and the owner of the automobile pays from $4.50 up to $6 for a passenger car. That indicates the amount necessary to protect an individual pretty adequately.

Mr. REID: What is the protection?

Mr. COLDWELL: I will come to that in a moment. I carry a policy on my automobile covering fire, theft, $50 deductible collision and public liability, and for that I think I paid $64.30 this year. But I personally am not insured, nor are the pedestrians in this province necessarily insured, if I should happen to hit someone with my automobile. All they can do is sue and endeavour to prove negligence on my part, if they want to collect anything by way of indemnity for the accident. That is in Ontario, with a private company. But with the small premium of from $4.50 to $6 in the province of Saskatchewan I am insured. If anything happens to me my widow, we will say, would get an indemnity of $10,000, paid from the insurance fund. The pedestrians on the street are insured, and they do not have to prove negligence in order to collect. The automobile is insured against collision, with $100 deductible; and for all that service the Saskatchewan resident pays from $4.50 to $6. A good many people thought it could not be operated for that.

Mr. FERGUSON: The hon. gentleman is suggesting that the type of insurance issued by the province of Saskatchewan makes such a low premium possible, but is it not a fact that it is largely because of the small population? Such insurance would cost you perhaps $150

in New York city. It does not cost so much in Saskatchewan because there are so few cars in that province.

Mr. COLDWELL: Insurance in this province is so expensive because of the number of private insurance companies—and this is to be another insurance company added to them—paying commissions, collecting fees, and so on. The public pay for that, whereas if everyone is insured without the payment of commissions and so on, the benefits are that much greater. I was going to say to my hon. friend that claims incurred to August 31, 1947, amounted to $683,389.86, leaving an estimated reserve for adjustment of premiums or benefits of approximately $850,000. In other words, after paying some $683,000 in damages and in indemnities to persons killed or injured in automobile accidents, they had $850,000 left in reserve. And I may add that all those claims were paid without legal intervention, without taking matters into the courts. If an individual is injured hospital bills are taken care of; an indemnity is paid for a number of weeks if he is a breadwinner; and protection such as I cannot get from a private company is given under these terms. I may add, though I am not sure of the exact amounts, that because of the large surpluses which have been accumulated this year the province of Saskatchewan has been able to increase the benefits under that automobile insurance act. And as far as fire insurance is concerned, those of us who have had property insured in the province of Saskatchewan know that, since there has been one over-all government policy in regard to insurance through the Saskatchewan government office, rates have been brought down by from ten to twenty-five per cent, and I say that without fear of contradiction.

Mr. REID: Are trucks included?

Mr. COLDWELL: Yes, they are included, but they pay a higher rate according to wheel base, weight and other factors. Buses pay the highest rate of all because of the greater risk due to the number of passengers, the weight of the bus, and so on. But one of the points I make is that when I insure my automobile in the province of Ontario and pay for public liability insurance, neither I nor the public is really insured unless it can be proved that I was negligent. They may have to take it to the court, and prove it; whereas under the act to which I have referred, the only proofs that are required are proof of accident, proof of injury or proof of death.

Mr. FERGUSON: Would you be satisfied that the taxpayer should pay out, from the public funds, in respect of a person who was injured in an accident and cannot prove negligence on the part of the car owner?

Mr. COLDWELL: I have pointed out to my hon. friend this, that the taxpayer bears no cost whatsoever. In the years of experience they have had, $683,000 has been paid out of the premium fund.

Mr. FERGUSON: Are you sure those claims are adequately reserved at the present time?

Mr. COLDWELL: I was going to say that, in addition, they have built up a reserve of $850,000 or more. That is in two years; and it is more than they have paid out in accident benefits. That, I would say, is a substantial reserve.

Mr. FERGUSON: Would you make a comparison with an Ontario stock company at the same time you are making this comparison?

Mr. COLDWELL: Yes, certainly. So far as the Ontario stock company is concerned, if I take out a policy in that stock company I know I am protected, so far as the policy which I own is liable for that protection. But the thing I am pointing out is this, that the time has arrived when the multiplicity of these insurance companies, all of which are collecting heavy premiums and high rates, and pay fairly substantial commissions, is something which we should consider, as a parliament, with a view to reducing the extortionate rates which are now paid for fire insurance, automobile insurance and other forms of insurance permitted under this bill.

I say it is something we should go into carefully. All I am doing is this: I am trying to give the committee an actual example of something that has been done in one of the provinces, something which was beneficial to all the people of that province.

It is true, as hon. members may remark in a moment, that this insurance is compulsory. Well, why should we not have compulsory insurance?

Mr. CASE: Everything compulsory.

Mr. COLDWELL: No, not everything compulsory. Let me say this to my hon. friend: is it fair, for example, that one man should carry insurance to protect the public—for that is what it amounts to? Then he is hit by a man who has not assumed his responsibility to the public. That man cannot make good the loss which follows a collision, or something of that kind.

I have had that experience, myself, where a man in this city while driving a car ran into me and was, so far as I knew—and I inquired into the circumstances—a man I could not ask to

pay. He had a large family and a very small wage. He should not have been running an automobile, if he could not pay for insurance.

Mr. CASE: Ontario looks after that.

Mr. COLDWELL: Consequently, where everybody pays, where you have not to go out and get insurance from a private company, and pay commissions, you are able to provide a service to your people which is unequalled by any private company. And I defy anybody to deny that fact.

Mr. FERGUSON: I deny it. Do you consider that the wages paid by insurance companies in Ontario and Quebec today—

The DEPUTY CHAIRMAN: Order.

Mr. COLDWELL: Well, the hon. member can make his speech later, although I have no objection to his interruptions or his questioning.

Mr. FERGUSON: He defied anyone to reply.

Mr. COLDWELL: What the hon. member says gives me a good opening to say something I had in mind. I would say to him that if we are to have protection at the high cost of maintaining a large overhead, then that protection is too dear. And that is precisely what my hon. friend suggested by his question, namely, that we should maintain a high overhead in order to get very few benefits.

I have no more objection to this bill than I have to a good many others of the same sort which come before the House of Commons. But I do say that bills of this description coming before the house should be considered by the house. I do not think a bill of this kind should be allowed just to pass through simply because it provides for another insurance company. We owe a duty to the people who sent us here to see that these bills are carefully examined by the House of Commons before they are allowed to go through.

When we consider insurance of this description we should consider what is being done, and make comparisons with the other facilities of the same sort available to the people of Canada. All I have tried to do is to point out that the people of one of our provinces who own automobiles, and pay a very small fee, are able to get protection such as no insurance company will give.

Mr. LENNARD: What protection do you get?

Mr. COLDWELL: I thought I told the hon. member. I do not wish to keep repeating for hon. members who either were not here or were not paying attention.

Mr. LENNARD: I was here. I never heard you. I did not hear the hon. member say what the benefits were.

Mr. MICHAUD: If you had been here you would.

Mr. LENNARD: I was here.

Mr. MICHAUD: I heard him.

The DEPUTY CHAIRMAN: I must suggest again that when we are in committee hon. members should not interrupt the hon. member who has the floor. They will have their opportunity to speak as soon as the hon. member for Rosetown-Biggar takes his seat.

Mr. COLDWELL: If I may put this on the record, this policy includes accident insurance against death or injury from motor vehicle accidents. There are five types of benefits under the policy. The principal sum for loss of life—

Mr. CASE: Which is how much?

Mr. COLDWELL: —is $10,000 to any one person; the principal sum for dismemberment; weekly indemnity for loss of income which is, I believe, $20 a week.

Mr. KNOWLES: For up to 150 weeks.

Mr. COLDWELL: Quite right.

Mr. SMITH (Calgary West): How many persons for loss of life?

Mr. COLDWELL: And then, hospital, medical and funeral expenses and out-of-pocket expenses; collision insurance for all licensed Saskatchewan motor vehicles with a deductible of $100 for private passenger cars and small trucks and up to $500 for trucks and buses. Then, public liability—insurance is provided to the extent of the amount payable to any person under the accident provisions. That is to say, if I hit somebody on the street he is entitled to indemnity up to the limit of the accident provision to which I have already referred.

Mr. REID: Have you the number of licences issued?

Mr. COLDWELL: In Saskatchewan?

Mr. REID: Yes.

Mr. SMITH (Calgary West): And, in that provision for $10,000, how many lives in one accident?

Mr. COLDWELL: It is $10,000 to each person killed in an accident, as I understand it, and it depends upon whether the person involved is the breadwinner of a family. I am sure my hon. friend who is a lawyer knows this, that if you take a case to court the

amount payable as compensation in respect of individuals killed depends upon the status of those individuals. For instance, if it is a child, with no earning ability, the compensation usually allowed is very small, just about enough to pay hospital bills and funeral expenses. Under the Saskatchewan act the maximum is $625 for each child.

Mr. SMITH (Calgary West): I was merely asking for information. The hon. member referred to $10,000 in the event of loss of life. I was trying to find out what would happen if three or four people were killed. Would the $10,000 cover all of them, or is it $10,000 each?

Mr. COLDWELL: It is $10,000 for each person killed in an accident; $5,000 for public liability or $10,000 maximum for any person killed in an accident.

Mr. SMITH (Calgary West): I just did not understand it.

Mr. COLDWELL: That is all right; I am glad to bring that out. Then there is property damage insurance to the extent of the amount payable over the deductible sum of $100 in collisions.

As I have said, it provides protection that cannot be duplicated in any other plan in Canada. Over 85 per cent of those killed and the same percentage of those injured in auto accidents would not have received benefits if the plan had been based on the ordinary type of liability insurance. In other words, the experience of Saskatchewan has been, as in many provinces, that there are many people using automobiles who are either not insured or under-insured, and there would have been no protection in many instances but for this insurance plan. This plan is administered by a government insurance office maintained out of premium income.

I want to point out that this plan gives a complete coverage. If you want fire and theft in the policy, it will amount to between $20 and $25. But if you take $25 or even $30 for fire and theft and add $4.50 or $5 you will then have a policy that could not be duplicated anywhere in this dominion by a private company. I say that without fear of contradiction.

When we are permitting the setting up of a new company to handle fire and automobile insurance and the like we ought to give consideration as to how best we can provide our people with protection. I know that property and civil rights are matters within provincial jurisdiction and none of us wants to infringe upon the jurisdiction of the provinces. But again and again we have heard in this house the story of level crossing accidents, careless drivers and all the rest of it. I think we had a bill before us on one occasion which would have placed certain drivers under certain circumstances under the criminal code.

My purpose in bringing these facts to the attention of the committee is to impress upon hon. members that today we are paying a great deal in premiums because of the multiplicity of companies doing this kind of work under very high overhead. As my hon. friend said a few minutes ago, a great deal of this money is drained away to other countries. The saving grace of this bill is that it sets up a Canadian company with headquarters in Winnipeg.

But that does not satisfy me. I want to see the Canadian people protected by a form of insurance that will give maximum protection at minimum cost. If anyone wants to see an actual policy issued by the Saskatchewan government. I have one here. This particular policy includes many other features than those I have mentioned. The total premium, apart from the $4.50, amounts to $28.96. That gives additional $20,000 for loss or damage resulting from bodily injury to or death of any one person. There is additional $20,000 protection for loss or damage resulting from bodily injury to or death of two or more persons. There is legal liability for damage to the property of others of $2,000 additional in any one accident.

My hon. friend who has this policy and who sits with me here is a citizen of Saskatchewan. Because he wants collision protection, $25 deductible instead of $100 provided to everyone, he pays the additional amount to which I have just referred. The actual figures show a premium of $1.64 for the public liability and damage to person, $20,000 and $20,000. For the legal liability for damage to property, $2,000, the premium is $5.50. For collision, $25 deductible, instead of $100 he pays an extra premium of $16.

Mr. LENNARD: That is no different from Ontario.

Mr. COLDWELL: But I am pointing out that when you add to the $28.96 the $4.50 you get a total of $33.46 for protection which you could not get from a private company.

Mr. CASE: I have a better one for less money, $50 and $100,000.

Mr. COLDWELL: That is public liability. If you wanted an additional $20,000 under this plan it would cost you only another $1.64. The hon. member could not buy a policy that would insure him personally as an owner and operator of an automobile for $10,000 in the

event of death. He cannot buy a policy that will insure the general public without possible contest at law to prove negligence on the part of the driver or the owner of the automobile. That is the point I am making.

Mr. LENNARD: You can get that for $5 in Ontario.

Mr. COLDWELL: You say you can get it for $5, but I say you can get everything I have mentioned for from $4.50 to $6 in Saskatchewan.

Mr. LENNARD: What is fifty cents?

Mr. FERGUSON: Most insurance companies settle their claims without ever going near the courts. They are settled out of court and without a lawyer.

Mr. COLDWELL: I know that some of them do settle without going to the courts, but the law is there and many of them go to the courts.

Mr. FERGUSON: Ninety per cent of them do not.

Mr. COLDWELL: That is all right for these defenders of private interests, but I am simply saying that many of these claims are settled by action at law.

Mr. LENNARD: Very few.

Mr. COLDWELL: I am saying that if they are not settled by action at law they are settled by lawyers outside the court—

Mr. LENNARD: No, never had a case.

Mr. COLDWELL: —who naturally collect fees for making the settlement. My hon. friends had better read this Saskatchewan insurance plan. If they do they will find that it has much to recommend it. They will realize that we are paying through the nose for much of the inadequate protection we are getting from private companies.

Mr. CHURCH: On a question of privilege, I never could get a copy of this bill on the table until after I had made my speech. It is hard to get bills that come from the senate. I have no objection to the bill, and they are good people, but I think some notice of it should have been given here. As it is listed, one would read it as a life company on our order paper, as called.

Section agreed to.

Sections 2 to 5 inclusive agreed to.

On section 6—Classes of insurance authorized.

Mr. KNOWLES: May I ask the hon. member for Kenora-Rainy River if "(b) automobile insurance" includes public liability and loss of life?

Mr. BENIDICKSON: It would cover the normal policy put out by a stock company for automobile protection.

Mr. KNOWLES: The hon. member is certain that loss of life is covered. It is not specifically set out anywhere else in that section or in the bill.

Mr. BENIDICKSON: This company will not carry on the normal type of life insurance business. This would cover the type of public liability that would follow an automobile accident.

Mr. KNOWLES: That is what I meant.

Section agreed to.

Sections 7 to 10 inclusive agreed to.

Bill reported, read the third time and passed.

EASTERN TRUST COMPANY

The house in committee on Bill No. 49, respecting the Eastern Trust Company—Mr. Isnor—Mr. Golding in the chair.

On section 1—Capital stock and shares.

Mr. KNOWLES: May I ask the sponsor of the bill to indicate the reasons for such a large increase in capital, from $1,000,000 to $3,000,000?

Mr. ISNOR: This is one of our old and well-established trust companies in the maritime provinces. It has been doing business for a long period of years, in a very efficient manner, and because of that efficiency it has enjoyed exceptionally fine business not only in Nova Scotia, New Brunswick and Prince Edward Island but also in the province of Quebec. The company now finds it necessary to expand its activities. It has recently opened an office in Montreal and it proposes to open offices in Ontario. With that expansion in view, it requires additional funds for mortgages and so on and for that reason is asking for the increase from $1,000,000 to $3,000,000.

Section agreed to.

On the title.

Mr. SMITH (Calgary West): I wish to say a word about this, applicable to all these other bills which will come before us. Here we have a bill for an expansion in the capital of the company, while in the previous case we had a bill for the incorporation of a company. I am one of those who believe that the more insurance companies we license, the greater will be the competition and therefore the cost of insurance will be that much less. I am therefore in favour of this bill and the others

like it. I think, however, that we should have a word more from the senior member for Halifax in view of the large increase in capital that is asked for. He merely said that they had expanded their business. I do not want him to think I am opposing the bill. I am not. If it is necessary to vote I will vote for it. Perhaps we had all better stop and consider that unless we are shareholders of the company we have not very much interest in what the capital is. I see that under the bill the present shareholders shall have pro rata opportunities. I do not know what that means. I gather they will have some opportunity of making purchase of shares. The only thing we need to guard against here is the watering of these stocks. If there is no watering of stocks I can see no reason why this House of Commons should not permit the business to proceed in the way it proposes, which it thinks best to carry out its interests, particularly when it increases competition in the line of endeavour in which the company is engaged.

Mr. ISNOR: I wish to thank the hon. member for Calgary West for the thought he has expressed in regard to the general principle of competition. Like him, I believe in competition and I think the creation of competition in any centre is bound to bring about better business methods. In answer to the question regarding watered stock, I assure him there is no such term nowadays in the maritimes, particularly in reference to a business such as this.

Mr. SMITH (Calgary West): Please do not think I suggested that there was.

Mr. ISNOR: The increase is necessary owing to the expansion of the firm's business, in consequence of which they cannot extend additional credits unless they have extra funds. That is common sense.

Mr. SMITH (Calgary West): More money for lending purposes. That is it in a nutshell, is it not?

Mr. ISNOR: Yes.

Mr. SMITH (Calgary West): I am all for you.

Mr. McMASTER: What is the reserve in this case? If the hon. member believes in competition, there will be no competition in the buying of this stock. It will all go to the shareholders.

Mr. ISNOR: The bill does provide an opportunity for the present shareholders to take up additional new stock if they so desire.

[Mr. Smith (Calgary West).]

Otherwise it will be put on the market in the regular way and listed, and the public will have an opportunity to subscribe.

Mr. McMASTER: The hon. member did not answer the question about reserve.

Mr. ISNOR: I am not a shareholder or a director of the company and I am not familiar with the details, but I believe they have about $500,000. There is a substantial amount in reserve.

Mr. COLDWELL: What kind of business does the company engage in?

Mr. ISNOR: Largely mortgage and loans in connection with estates.

Mr. COLDWELL: The management of estates?

Mr. ISNOR: Yes.

Mr. CASE: Is the stock listed now?

Mr. ISNOR: I have every reason to believe it is.

Title agreed to.

Bill reported, read the third time and passed.

TRUST AND LOAN COMPANY OF CANADA

The house in committee on Bill No. 59, respecting the Trust and Loan Company of Canada—Mr. Pinard—Mr. Golding in the chair.

On section 1—Short title.

Mr. KNOWLES: Is the sponsor here?

Some hon. MEMBERS: No.

Mr. KNOWLES: Then there is not much point in asking any questions if he is not here.

Mr. ISNOR: I shall be pleased to endeavour to answer any questions in reference to the bill, although I am not the sponsor.

Mr. COLDWELL: Will the hon. gentleman explain what this bill is? It looks to me a harmless proposal, but I do not know anything about it and I should like to have some information in order to decide whether it is or not.

Mr. MacNICOL: The sponsor is not here. Let it go over another week.

Mr. KNOWLES: Stand.

Mr. ISNOR: If hon. members wish to have it stand that is agreeable to me. This bill was before the banking and commerce committee and was approved by the committee without amendment. Moreover, it was approved by the federal Department of Insur-

ance. It is rather a strange bill in this sense, that instead of seeking an authorization to increase, the company comes to parliament and asks for a reduction because of the peculiar circumstances and the fact that its funds are tied up in England. The background of this company is English. It is an English company doing business largely in Canada. Practically its entire business is done in Canada. The bill was quite fully explained on second reading by the sponsor, and hon. members will find that explanation in *Hansard*. I do not know whether they wish me to take up the time of the committee to go over that ground again, but I feel that the explanation given to the committee was such that all hon. members were satisfied as to the merits of the bill. They felt that no question would be raised by hon. members who had looked into the merits of the bill. For the information of hon. members, may I say that they will find all questions answered and details given in *Hansard* on pages 1929, 1930 and 1931 of March 5.

Mr. COLDWELL: As I understand it, this bill is before the committee on account of certain exchange difficulties.

Mr. ABBOTT: That is correct. My department looked into this bill. I think it is quite unobjectionable. The company is a very old established one. The control is in England and, as my hon. friend said, this capital reorganization is prompted by reasons which will appeal to all hon. members. I do not wish to intervene in the debate; I could express my own personal opinion, but I do not really think any objection could be taken to the capital reorganization.

Mr. SMITH (Calgary West): As I understand it, broadly speaking this is merely a reduction in the capital and, if so, I do not see any objection to it.

Section agreed to.

Sections 2 and 3 agreed to.

Schedule agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

PEOPLE'S FRATERNAL ORDER

The house in committee on Bill No. 115, to incorporate People's Fraternal Order—Mr. Croll—Mr. Golding in the chair.

On section 1—Incorporation.

Mr. COLDWELL: Is this not the bill, the title of which received some objection in the house the other day? Is this not rather a wide sort of title, "An act to incorporate the People's Fraternal Order"? Does it not take in a lot of territory, and was it not suggested to the sponsor that that might be considered? I notice the sponsor of the bill is not here. Is there anybody else in the committee who can answer for him?

Mr. CLEAVER: I chaired the banking and commerce committee to which this bill was referred and I have just one suggestion to make in regard to these bills that are referred. All parties have representatives on the committees, and have the fullest possible opportunity to be heard. At the time this bill was before the committee it was gone into carefully and there were no objections of any kind as to the question of name. I personally cannot see any objection to it. If my hon. friend would elaborate on what he has in mind as to the objection to the name I would understand his inquiry.

Mr. COLDWELL: It struck me that the People's Fraternal Order is a pretty wide sort of title. It does not mean anything to me. It seems to me that the title of an organization approved by the parliament of Canada should mean a little more than this title does. It seems to be a closed corporation. I notice that section 5 dealing with membership says:

> Only persons acceptable to the society, or the wife or husband or any child of a person already a member shall be admitted as members of the society.

And so on. That does not seem to be as all-inclusive as the title. The title is pretty inclusive; it includes everybody, including members of this house. I have no objection to the bill, particularly, but I think the title is rather too broad and that some consideration should be given to it before the house passes the bill. Titles usually mean something and are usually more restrictive, indicating the type of membership to be expected under this charter. That is a point which should be considered.

Mr. CLEAVER: I should like to assure the committee, if I may, that the superintendent of insurance was present when this bill was before the committee as well as the chief of the actuarial branch. They gave evidence to the committee and informed us that the new proposed company as set up was actually sound. No question whatever was raised as to the name. The sponsor of the bill is not in the house tonight.

Mr. SMITH (Calgary West): I want to associate myself entirely with the remarks made by the leader of the C.C.F. party. In

these days we are learning more and more who people are. It seems to me that at this time we should not pass bills with titles of this kind. It would not be a great deal of bother to anyone to change the name. It does seem to me that we should not pass a thing using a great big, broad word like "people", which indicates nothing. I do not mind if people coin a word where you have to make inquiries to find out what it is all about, but I do object to the use of a word such as "people". You may as well call it, "The churches So-and-so", or "humanity", or something of that kind. It does seem to me that it would not be a great deal of trouble to ask the assistant sponsor of the bill to see if the name could be changed. It would not be much trouble to change the word and get one which would be much more attractive, because the way the thing stands it does not mean very much.

Mr. CHURCH: Is there some way in which we may have a better listing of these bills? Copies should be on the table. How are we to know whether it is life or fire insurance? These bills come from the senate, and we never see them.

Progress reported.

Mr. SPEAKER: The hour reserved for private bills having expired the house will now revert to its business prior to six o'clock.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed consideration of the motion of Mr. Howe for the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Mr. POULIOT: I adjourned the debate at six o'clock.

Some hon. MEMBERS: No.

Mr. POULIOT: I was under the impression that my hon. friend was through with his speech.

Some hon. MEMBERS: No.

Mr. POULIOT: As he told me he was not, I shall follow the precedent and wait until he is through.

Mr. WRIGHT: Mr. Speaker, when the house rose at six o'clock I had just read cer-

[Mr. Smith (Calgary West).]

tain telegrams and letters which indicated the desire of the government of Saskatchewan to have complementary legislation passed to enable this bill to be put into force at the earliest day possible. As far as we in this group are concerned, we are just as anxious as is the Saskatchewan government to see that this legislation is brought into force for the handling of the 1948 crop; and anything we can do in this house will be done to further that objective.

I was indicating that I thought it was probably out of place perhaps for the hon. member for Rosthern (Mr. Tucker), in view of the actions of the government in failing to expedite its passage, to be accusing the opposition of holding up this measure. Last year we moved or tried to move an amendment, when the wheat board act was being amended, to do this very thing which we are doing this year. The hon. member for Yorkton (Mr. Castleden) moved that amendment, but we were told that it was unconstitutional and that there were many things which could not be done. As a result it was not done, and we had the fiasco that we had this last fall in connection with coarse grains. Had our amendment been accepted last year, or had this amendment been made last year, there would not have been the need for the rush today that apparently there is.

In the second place I believe that this measure should have been introduced in the pre-Christmas session, so that the provincial governments would have had time to give proper consideration to the type of complementary legislation that would be necessary for them to pass to implement in full the proposed amendment.

The third reason why I believe the government has failed is that it has not called the provinces together to consider the matter. I think it was the place of the dominion government to ask the provinces to get together on this matter. I am sure that, had they done so, there would have been consultations between the provinces before this. I do not know what the attitude of the province of Alberta and of the province of Manitoba may be. Apparently, the province of Manitoba has, as yet, made no representations to the government with regard to it. Probably they are waiting until the measure receives its final reading here. But at this late day it is extremely doubtful whether the provinces will be able, in their regular sessions, to pass the necessary implementing legislation to put this legislation into effect this year. It may be that if they are anxious to do so, by calling a special session they will

be able to. I know that in Saskatchewan the demand for it is such that the provincial government will, if necessary, call a special session of the legislature to deal with the matter. I do not know whether the other provinces are prepared to do that or not.

I should like to deal for a short time with the first matter dealt with in the bill, namely, the initial payment on the participation certificate. The Minister of Trade and Commerce (Mr. Howe) stated that the government were not putting the amount in the bill. The reason given was that if at any future time they wanted to increase the payment, they would be able to do so without bringing in another amendment. Perhaps I am a bit suspicious, but I wonder if perhaps the reason may not have been that if they had put an amount in the bill, it would have meant that that amount would have been the floor price during the remainder of the contract. Since we are amending the bill at the present time, it leaves the $1.35 floor which is in the original bill.

Mr. HOWE: No. My hon. friend has not read the bill.

Mr. WRIGHT: Yes, I have read the bill.

Mr. HOWE: You did not read it correctly. The initial payment, whatever it is increased to now, will be the floor. For example, if it is increased to $1.75, $1.75 becomes the floor for the entire period.

Mr. WRIGHT: I am glad to hear that.

Mr. HOWE: Read the bill.

Mr. WRIGHT: It is a little bit indefinite in the bill. It says "during that pool period." I did not know whether "that pool period" meant the year or the five-year period. I thought that if it had been the five-year period, it would have said "during the pool period" rather than "during that pool period." I am glad the minister has cleared that matter up, and that whatever price is paid will be the floor price for the entire pool period.

I would suggest that the government try to make this payment as large as possible. If there ever was a time when it was needed in the west, it is at the present time after the crop failure we had over a large part of the west last year. With the amount that is available for this payment—and I believe it is $234 million—I think a fairly substantial payment could be made, especially if the government would accept certain of the recommendations which I believe all parties of the opposition agree should be accepted. One is that the farmers and growers of wheat should not be asked to subsidize the domestic use of flour in Canada. Last year we were selling wheat to the millers in Canada for $1.58½ a bushel. I do not know what the average price was last year for all the wheat sold; but I think, when that average price has been determined for all the wheat sold, the dominion government should be prepared to pay into the wheat board fund the difference between $1.58½ and that average price which was obtained for the 1947 crop. If that principle were carried out during the other years, 1945, 1946 and 1947, and were carried forward, it would mean that the participation certificates paid out in 1950 would be worth something. It would mean also that the government would be able to make a larger payment on the participation certificates at the present time. I do not see why the wheat growers should be asked to subsidize the consumption of flour in Canada. Nor do I believe that they should be asked to subsidize the British wheat contract.

I have been opposed to the idea of paying too much at the present time. I do not think we can determine what sacrifices the farmers will have made under the British wheat contract until that contract is terminated in 1949. When it is terminated in 1949 I think this government should be prepared to do as I have suggested should be done with regard to the flour consumed in Canada, namely, that when they have finally determined what the average price obtained for the wheat is, they should be prepared to pay into the wheat board fund the difference between the price obtained under the British wheat contract and the average price for the wheat in those particular years. If that were done, I believe it would make up at least in part to the wheat growers the increase there has been in the cost of production on account of the removal of price ceilings in Canada; because undoubtedly there has been a great increase in the cost of farm machinery and in the cost of all those things which go into the cost of producing wheat in this country. Our twine went up last year to almost double what it had been. Farm machinery went up first by 12½ per cent and then something over 15 per cent. All other costs have gone up. Unless something is done, it is hard for the western producer to understand just why his prices should be frozen when prices of the things that go into his cost of production continue to rise.

I should now like to say a few words with regard to coarse grains. Last year our amendment, which would have brought coarse grains under the wheat board, was not accepted, with the result that the price ceiling was lifted on October 21. Immediately the price

of coarse grains went up by from twenty to thirty cents a bushel. Never in my experience in western Canada have I heard such a howl of protest as went up across the prairies when that action was taken by the government. So many protests came to the Liberal association of Saskatchewan that they felt it necessary to take some action, and they came to Ottawa to see if something could be done about it. The government say they are leaving it to the companies in the first place; that when the line elevator companies, the pools and the grain handling firms have made some restitution to the farmers from the profits they have made, then the government will be prepared to step in and do something. They have not said what they will do; but I want to point out the position in which they are placing some of the grain handling firms. Many of those firms, especially the smaller ones, had eastern customers whom they continued to supply with normal shipments; in other words they were not withholding grain from the market. Other companies perhaps more astute, believing this action would be taken, for at least a month before the ceilings came off supplied their customers with the very least they could get away with. They were withholding grain and, as a result, those companies will be able to make a much better settlement than the other companies which continued to supply their eastern customers in the normal manner.

I believe the government should have averaged the price for the first month, then made a return to the farmers on the basis of that average price for coarse grains during the first month after the ceiling was lifted. Then they could have gone to these companies and collected any money they made. As the matter stands at the present time, if the farmers are to get a fair return on any profits made by the milling companies or the feed processors, that money will have to come out of the treasury of this country. Otherwise the farmer will not get a fair return on these coarse grains. Had that policy been followed, these coarse grains could have been paid for long ago. More money would have been in circulation in western Canada, and the farmers would have been in a much better position. That policy was not followed. We do not know yet on what basis the government will make these payments; we have had no indication as to what it will be.

I should like to point out also that in connection with this whole bill our position is quite clear. We are prepared to support everything in this bill. It does not go as far as we would like to see it go. We believe it should include all grains. That is what western agriculture has been asking for—

Mr. MUTCH: Some of it.

Mr. WRIGHT: Can the hon. member name any organizations in western Canada that have not been asking for it?

Mr. MUTCH: I was not speaking of organizations; I was speaking of farmers.

Mr. WRIGHT: There may be individual farmers who have not asked for it, but certainly I have not heard of any organization that has not been asking to have all coarse grains placed under the wheat board. We are prepared to do all we can to expedite the passage of this bill—

Mr. HOWE: Then the best thing you can do is sit down.

Mr. WRIGHT: I am going to sit down in a moment, though many other people have spoken a good deal longer than I have on this matter. I just want to make it perfectly clear that, as far as this group is concerned, nothing will be done to hinder or delay the passage of this bill.

Mr. DIEFENBAKER: Mr. Speaker—

Mr. POULIOT: I rise to a point of order. I do not wish to be unpleasant to the hon. member, but I adjourned the debate at six o'clock, when I was the only member to rise; and later I gave my place to the hon. member for Melfort (Mr. Wright).

Mr. SPEAKER: Order. I must say to the hon. member for Temiscouata, first, that when he rose to adjourn the debate the hon. member for Melfort had the floor; second, that it is not the practice to adjourn the debate at six o'clock; third, that when the hon. member for Melfort rose to speak the hon. member for Lake Centre was on his feet, the hon. member for Battle River (Mr. Fair) was on his feet and the hon. member for Winnipeg South (Mr. Mutch) was also on his feet. So I believe I should give the floor to the hon. member for Lake Centre.

Mr. POULIOT: I ask the house to decide, by virtue of the rules, who has the right to speak. There is a rule to that effect, and you know it.

Mr. SPEAKER: If it is the desire of the hon. member to take the matter to the house he should have put a motion.

Mr. POULIOT: Yes; I want a vote on it.

Mr. SPEAKER: The hon. member for Lake Centre.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I listened with a great deal of interest to the concluding remarks of the hon. member for Melfort (Mr. Wright), when he said it was most unfair that the farmers should have been required to subsidize the consumers in Canada in connection with the price of bread. With that there can be no disagreement. However, he added that it was also most unfair and unjust that the farmers should have been required to subsidize the British wheat agreement, and he felt that at the conclusion of that agreement, in the event there was any difference between the world price and the price paid under it, that difference should be made up by the people of Canada as a whole. The latter statement was most interesting, having regard to the attitude taken by the C.C.F. party when my leader and those associated with him took that same stand. My leader and they have stood alone in that view during the past two or three years. Only now, when my hon. friend and those associated with him are beginning to realize that the campaign on behalf of the western farmer waged by the leader of the opposition (Mr. Bracken) is securing support, when all through the piece hon. gentlemen of the C.C.F. supported the government and opposed the stand taken by my leader, are they coming to see that it is well to back track a little and support the position the leader of this party has taken throughout?

I am now going to deal with this bill and with the remarks made this afternoon by the hon. member for Rosthern (Mr. Tucker). I always listen to the hon. member with a great deal of interest. He always has a great deal to say; he says it well, and he says it in such a way that everyone can hear him. He raised the old dodge that we on this side of the house, having asked that this bill be separated, would be committing the unpardonable offence of delaying the passage of the bill and the payment to the western farmers of the amount provided under the bill.

First and foremost in that connection I agree with the hon. member for Melfort. He saw through what was taking place in this connection. This bill could have been brought down earlier. It should have been brought down earlier, so that full and complete discussion could have taken place on the subject.

I am not going with him when he said he was suspicious. I am not suspicious; I believe it is a fact that the reason this bill was not brought down earlier was to deny us the opportunity of holding the government responsible for its failure in connection with its wheat policy in the past few years. They say, in effect, "Take it all, regardless of whether it is constitutional, regardless of whether it can be carried into effect."

They ask us to accept this omelette that deals with pensions for employees and payments to farmers, and the promise of the possibility, some time in the future, of the implementing, by order in council, of control over oats and barley.

So far as this oats and barley deal is concerned, again I do not want to be suspicious, but when it is introduced just on the verge of a general election in Saskatchewan it arouses one's interest as to the reason it is being introduced. Only a year ago, on February 27, 1947, an amendment was introduced to bring oats and barley under the act, and the answer given at that time by the government through the Minister of Justice (Mr. Ilsley) was, in effect, "It is not constitutional; it is dangerous; it cannot be done" —and all the other expressions that are used when a question of something being ultra vires is advanced. Have things changed in the last year, since February 27, 1947?

The only change that has taken place is that there was not a provincial election coming up in 1947, but there is one coming up in 1948. How are they to bring it about? Well, they do not say they will do it. They speak of enabling legislation and complementary legislation.

Even if complementary legislation were passed by the Saskatchewan legislature—and it would be, because the premier has already stated that that will be done, and, if necessary, that a special session will be called—can this legislation be made operative? It will be dangled before the people as to what might have been; there is no sadder word of tongue or pen than it might have been.

Supposing Alberta comes in with it; can it be brought into effect? I ask the Minister of Trade and Commerce (Mr. Howe) this question: if two provinces have passed enabling legislation, can it effectively be brought in? The answer is: No, it cannot—or even with three. That legislation can be brought in and be effectual under the constitutional powers of this country, according to the Minister of Justice (Mr. Ilsley) himself, who averred its unconstitutionality, only provided that each and every province affected introduces enabling legislation where and if oats and barley are to be marketed.

Mr. HOWE: Is that your legal opinion?

Mr. DIEFENBAKER: That is the legal opinion of the Minister of Justice.

Mr. HOWE: Nothing of the sort.

Mr. DIEFENBAKER: I beg your pardon?

Mr. HOWE: Nothing of the sort.

Mr. ROSS (Souris): It is in *Hansard*.

Mr. DIEFENBAKER: I would not expect agreement from the Minister of Trade and Commerce.

Mr. HOWE: Would you like me to read the opinion of the Minister of Justice?

Mr. DIEFENBAKER: The Minister of Agriculture (Mr. Gardiner); no, not the Minister of Agriculture, but my hon. friend has been in practically every other department—

Mr. HOWE: My hon. friend can at least be a gentleman; I have yet to see any indication of it.

Mr. DIEFENBAKER: Is there anything ungentlemanly in paying a tribute to the minister who holds nearly all the portfolios?

Mr. HOWE: It is very cheap politics, very cheap comedy.

Mr. DIEFENBAKER: I say to my right hon. friend that if he has any interruptions to make, let him speak up so that they can be heard.

Mr. HOWE: I will be pleased to. I wish to say that when we are discussing a wheat bill it is very cheap comedy to try to trade on the name of the Minister of Trade and Commerce.

Mr. DIEFENBAKER: It is cheap comedy to think of my right hon. friend as having all the portfolios! He is not satisfied. He controls industry all over Canada; he controls the right of industry to live; and now he takes over the greatest monopoly in the history of this country.

Mr. SPEAKER: I would ask the hon. member to confine his remarks to the bill.

Mr. HOWE: Criminal lawyer, doing his stuff, talking to the gallery.

Mr. DIEFENBAKER: What is that?

Mr. HOWE: A cheap lawyer, talking to the gallery.

Mr. JACKMAN: Make him withdraw.

Mr. GRAYDON: What about that, Mr. Speaker?

Mr. SPEAKER: Order.

[Mr. Howe.]

Mr. DIEFENBAKER: I do not ask for a withdrawal of a statement such as that. It is the measure of the right hon. gentleman who makes it. And, sir, my right hon. friend does not get aroused unless he is faced with facts and begins to realize that we know what he is trying to do, in regard to this national problem.

We have this legislation promising to the farmers of western Canada that oats and barley will be dealt with under the wheat board, and it is nothing more or less than a delusion and a snare. It is designed to lead them to believe in a state of affairs which the government fully well realizes that constitutionally it cannot carry into effect.

I now pass on to another portion of the bill. That is this. The government ask us to accept the bill, comprising four distinct matters. They ask us at this time to bring into effect a system of pensions in connection with the operations of the wheat board in this country. Does anyone know the identity of the individuals of the wheat board with the salaries they receive? That question was asked—

Mr. McILRAITH: The hon. member for Souris read a list of salaries this afternoon. It is on the record.

Mr. DIEFENBAKER: I did not say "list of salaries"; I said the identity of the individuals receiving them.

Mr. McILRAITH: And the scale of salaries.

Mr. DIEFENBAKER: No, no.

Mr. McILRAITH: Oh, yes.

Mr. DIEFENBAKER: I never made such a statement. The list of salaries was asked for in committee on July 1, 1947—that was the committee on agriculture—and the answer given was, "We pay high salaries, and we do not think it is fair to reveal them". I can give the exact words when, on July 1, 1947, the then minister of trade and commerce used these words:

> We have an organization that for years has been paying high salaries. I think it would be unfair if we had to place on public record the salaries we pay to the wheat board.

That was the answer which was given. What is the position of affairs? Why is it that this government continues year after year to build up a civil service in this country outside the operations of the Civil Service Act. That is not fair to a man in the civil service who devotes his life to the service of his country.

Think of the list of salaries referred to this afternoon by the hon. member for Souris (Mr. Ross). He said there were eleven receiving

from $10,000 to $15,000, as I remember it. There is one between $9,000 and $10,000; two between $8,000 and $9,000, and so forth.

Mr. ROSS (Souris): And one at $15,000.

Mr. DIEFENBAKER: That is the chairman of the board, a man who has been on the board for many years and who has had wide experience in connection with wheat. We are asked to bring in a system of pensions for civil servants to be paid for, not by the people of Canada but by the farmers, to be deducted from the amount of the pool in which they are entitled to participate. Is there any justification for setting up a great organization such as this government is setting up outside the civil service, and for paying them tremendous salaries? Why are they not put in the same position as civil servants whose pension scheme by way of superannuation is payable by the state? Why should we be required on second reading to adopt the government plan in this regard and give support to a course of conduct that cannot be justified?

No one knows what it is going to cost. I saw a computation the other day which showed that the setting up of this pension scheme would take approximately $2,000,000 of moneys which should go to the farmers. Is there any reason why the western farmer again should be penalized as he has been in the past, as, for example, under the British agreement? All of us want to do everything possible for Great Britain, and everyone in this house has given her support. Canada as a nation should show her appreciation of the sacrifices which the British people have suffered, but that appreciation should not be required to rest upon the farmers in the form of lower prices. It should be assumed by the Canadian people as a whole.

Until a year ago it was impossible to get any figures in regard to the operations of the wheat board. I want to thank the Minister of Justice in this regard. In February, 1947—I can give the exact date if required—I asked that something be done to furnish the farmers with an annual accounting, so that they would be able to see what was being done with their wheat and what disposition was being made of their money. The right hon. gentleman asked me whether it would be satisfactory to present a report similar to that presented from year to year by the Canadian National Railways. That was acceptable, and a full and complete report was given to the last committee on agriculture.

What do we find as a result of an examination of those accounts? We find that the wheat business of this country is the greatest single business any government has ever gone into. It is the biggest business the Canadian people are engaged in. Between September 15, 1935, and July 31, 1946, the total value of the grain purchased by the wheat board amounted to $3,103,551,000.

What about the cost of handling? What about the expenses in connection with that? They amounted to $244,862,266, or almost a quarter of a billion dollars. What do we find on examining the accounts? We find that since 1939 the expenses of administration have gone up 3·31 times. Approximately the same amount of wheat was handled in 1946 as in 1939. Salaries have gone up 3·48 times; rents have gone up 2·9 times, and travelling expenses, 4·58 times. I can understand that travelling expenses would be larger because of the greater duties assumed by the wheat board in 1943, 1944 and 1945.

Mr. TUCKER: Will the hon. gentleman not admit that the greater proportion of that, over 80 per cent, is the actual carrying charges on the wheat that had to be carried over?

Mr. DIEFENBAKER: I do not think it is 80 per cent.

Mr. TUCKER: It is 82·08 per cent, carrying charges at the elevators.

Mr. DIEFENBAKER: I will not argue that because I did not get the same figures. I know it is high. I am pointing out the expenses of administration, the total expenses in connection with the administration of the wheat board.

Mr. TUCKER: They are only 2·16 of the total cost.

Mr. DIEFENBAKER: When it comes to talking about total cost—

Mr. TUCKER: You said cost of administration.

Mr. DIEFENBAKER: I know what I said; total costs of handling is what I said.

Mr. GRAYDON: That is what you said.

Mr. DIEFENBAKER: I know of the difference between costs of handling and costs of administration. I referred to costs of handling. Auditing costs approximately $58,000 a year, and that is beside this vast army of employees, some 650 in number. In fact the cost today of auditing where permanent auditors are kept on who give monthly reports, is approximately $1,110 a month.

These are things that should be looked into because the wheat board, as it was originally set up by the Bennett government, was

designed to give the largest possible return to the western farmer. As a matter of fact under government policy during the last two or three years the purpose of the wheat board has been to keep prices down for the farmer's wheat, instead of assuring him the largest possible return in that connection.

I can give an example. When evidence was given last year before the agriculture committee the hon. member for Calgary East (Mr. Harkness) asked Mr. McIvor, the chairman, with regard to an item of $979,046 of accrued interest. The hon. member asked whether that would be paid to the farmers and Mr. McIvor's answer was, "I doubt that it will." I realize that as far as the Minister of Trade and Commerce is concerned, a million dollars means nothing because he once told the hon. member—

Mr. HOWE: Here he goes.

Mr. DIEFENBAKER: —for Muskoka-Ontario (Mr. Macdonnell) that a million dollars was meaningless. That is what my right hon. friend said. When the suggestion was made that it could be saved, he said, "What is a million dollars?" That is simply a continuation in the days of peace of the million dollar mentality of the days of war with nothing under parliamentary control.

Mr. GARDINER: Is my hon. friend opposed to the wheat board?

Mr. DIEFENBAKER: No.

Mr. HOWE: What is the purpose of this attack on the wheat board?

Mr. DIEFENBAKER: This is not an attack. Is this not interesting? A while ago my right hon. friend said that I was attacking him. The right hon. gentleman as minister is, according to Mr. McIvor's evidence, actually the dominant controller of the wheat board operations on behalf of the government. That is the situation. What I am asking is that the wheat board be used, not as an exponent of government policy but as it was originally intended to be used, namely, as an instrument whereby the farmer would be assured of the largest possible return for his production. I can understand why the government gets annoyed.

Mr. GARDINER: Not annoyed; just nailing you down.

Mr. DIEFENBAKER: Well, I do not know who is doing the nailing, but I think it is the other way around. In the two years, 1945 and 1946, 233,000 western farmers, as a result of government policy on wheat, lost $1,600 each on an average. Bring the wheat board back in its proper position; utilize it as it was intended to be utilized, as an instrument whereby unfairness and exploitation would be done away with and the largest possible return that could be assured would be given, less reasonable cost of administration.

Mr. TUCKER: Will the hon. member permit a question? Will he explain why, if the situation is as he states, the Canadian Federation of Agriculture and organized farmers in Saskatchewan, Manitoba and Alberta support the wheat board?

Mr. DIEFENBAKER: I am interested to know that my hon. friend the member for Rosthern is becoming such a friend of the federation of agriculture.

Mr. TUCKER: Why do you not answer the question?

Mr. DIEFENBAKER: Last year, at the last session, an amendment was introduced whereby participation certificates would be paid on the 1945 crop. That amendment was introduced into the house—

Mr. GARDINER: No; it was not.

Mr. DIEFENBAKER: Yes, it was in committee.

Mr. GARDINER: No; it was to increase the initial payment.

Mr. DIEFENBAKER: It was an amendment whereby—

Mr. TUCKER: Answer the question.

Mr. HOWE: He is an artful dodger.

Mr. DIEFENBAKER: —participation certificates would be paid on the 1945 crop, and that was asked for by the federation of agriculture.

Mr. GARDINER: Yes; that is right.

Mr. BOUCHER: Who is doing the dodging over there now?

Mr. DIEFENBAKER: So the Minister of Trade and Commerce was not right a moment ago—

Mr. HOWE: Make your own speech and leave the Minister of Trade and Commerce out of it.

Mr. GARDINER: It was not the Minister of Trade and Commerce who said it was not done. I said it was not done and I am correcting myself now.

Mr. DIEFENBAKER: Thank you. As a matter of fact it has always been that way with the Minister of Trade and Commerce and those who exercise absolute power.

Mr. TUCKER: Answer my question.

Mr. DIEFENBAKER: They resent any criticism and they deny any suggestions or ideas. What I am trying to point out is that the hon. member for Rosthern, who today paid such high tribute to the Canadian Federation of Agriculture, and it deserves it, one year ago was not heard when there was before the house the matter which he today said he agreed with, that the moneys of the farmers should be distributed to them. Last year when that matter was before the House of Commons the hon. member for Rosthern did not give to the Canadian Federation of Agriculture and its recommendations the support he gave to those recommendations today.

Mr. TUCKER: Why do you not answer my question?

Mr. DIEFENBAKER: We on this side of the house, without any exception, have asked that the farmer's money should be paid to him. That was the view of all members of the opposition in 1947. The leader of the C.C.F. took that stand, the leader of the Social Credit party took that stand, and their respective parties took that stand, as did the official opposition. Here we are in 1948. It is only a coincidence, perhaps; but, sir, when you have coincidence and coincidence and coincidence it ceases to be coincidence and becomes evidence of conspiracy. This is an endeavour on the part of the government to delude the farmer with regard to the so-called increase of the initial price which he received.

Mr. TUCKER: Are you against the bill?

Mr. HOWE: He is killing off forty minutes, that is all.

Mr. DIEFENBAKER: I beg your pardon?

Mr. HOWE: I say you are killing off forty minutes.

Mr. DIEFENBAKER: I am not really concerned with my right hon. friend's interruptions, because they are only indicative of the type of mentality that he developed in wartime and is trying to carry into the days of peace. If you will permit me to do so, Mr. Speaker, I should like to read the new paragraph 2:

2. Section 21 (1) (b) of the present act provides:

"Pay to producers selling and delivering wheat produced in the designated area to the board, at the time of delivery or at any time thereafter as may be agreed upon, a sum certain per bushel basis in store Fort William/Port Arthur or Vancouver to be fixed . . ."

Then the change is "from time to time by regulation of the governor in council in respect of wheat of grade No. 1 Manitoba northern."

What the government is endeavouring to do is to lead the western farmer to believe, now that he is beginning to appreciate the loss he suffered through receiving so much lower a price than that received by the farmers of the United States, that the government is now raising the initial price of the farmer's wheat in those years. What it is doing is taking moneys out of the participation fund, which belong to the farmer, and instead of paying him in bulk, applying it in certain years. The endeavour is to lead the farmer to believe that he is receiving a larger return. He is not receiving a larger return per bushel. All he is receiving is fifteen, twenty or twenty-five cents, whatever the amount is. He receives that, added on to the so-called initial price and deducted from what otherwise he would have received in participation payments. All it amounts to is this—

Mr. HOWE: A subtle argument.

Mr. GARDINER: You mean to say the farmer gets twenty cents and he does not know it?

Mr. DIEFENBAKER: Twenty cents he would have got whether this legislation passes or not. It is a fine move to give to the farmer what is coming to him. It represents the stand we of the official opposition took last year and particularly the stand taken by my leader, the hon. member for Souris and other members associated with him. The payment per bushel is not an additional amount per bushel payable to the farmer as an initial price. It is, in fact, a pre-distribution out of the participation account. The government knows how much it will pay; $230 million, I believe, is the amount that it now holds to the credit of the Canadian farmer.

Mr. GARDINER: Everyone but the hon. member for Lake Centre always knew those facts.

Mr. DIEFENBAKER: It was known last year approximately what it would be. That being the case, what is the idea of waiting until after this bill is through to let the farmers know what they will get in 1945, 1946 and 1947? I can understand the argument that we do not know the amount which will be available in 1948 and 1949 and that some freedom must be given to permit of the fixation of price. That argument does not apply to the fixation of price for 1945, 1946 and 1947.

Mr. GARDINER: Fix it at the same time for 1948 and 1949. It is a five-year price; it is not a three-year price.

Mr. DIEFENBAKER: It will be a different price throughout the years; it will be different in 1945 and 1946.

Mr. GARDINER: It is the same every year; the same return every year of the five years by the time it is finished. It is a five-year payment.

Mr. DIEFENBAKER: Well, then, in my argument I was giving the government the benefit of the doubt. I said there was no reason why they should not carry out their policy in 1948 and 1949.

Mr. GARDINER: You have turned around now.

Mr. HOWE: He has changed his position.

Mr. DIEFENBAKER: I listen to my right hon. friend. Regardless of what he says I listen, and I do not keep up that continual grumble and growl. I say to him through you, Mr. Speaker, that his conduct is not parliamentary; it is not gentlemanly in parliament.

Mr. HOWE: Why are you worrying about my being a gentleman?

Mr. DIEFENBAKER: We on this side of the house want to see payments made to the farmers. We have advocated it. I agree with what the hon. member for Rosthern (Mr. Tucker) said this afternoon regarding conditions in the western provinces and the need by the farmers of the earliest possible distribution. He mentioned the Prairie Farm Assistance Act and how many farmers were in need and required that payment. That is true. In my experience I can say that whenever needy cases have been brought to the attention of the Minister of Agriculture in connection with that matter payments have been made. As regards the Prairie Farm Assistance Act, all over the province there are farmers who year by year had paid their one per cent levy; yet because of the position in which they find themselves, they being in not sufficiently large areas to come within the provisions of the act, they are being denied under the law the right to the prairie assistance payments. I ask the Minister of Agriculture, and I ask for the support of the hon. member for Rosthern in this regard: when amendments are being brought in, why not bring in an amendment to the Prairie Farm Assistance Act that, as far as possible and as far as practicable, will reduce the area within which qualification takes place, and as nearly as possible arrive at an individual basis in connection with the payment of the bonus? I know the difficulties in connection with the individual—

[Mr. Gardiner.]

Mr. GARDINER: The bill is on the order paper.

Mr. DIEFENBAKER: I want to thank the minister for that, because that is one thing—

Mr. GARDINER: No; the P.F.A. bill itself is on the order paper. I do not think it should be discussed in this debate.

Mr. DIEFENBAKER: Well, sir—

Mr. HOWE: Anything to take up the forty minutes.

Mr. DIEFENBAKER: —is it not strange? The hon. member for Rosthern discussed it this afternoon and it was perfectly all right. Now I am out of order. We in the opposition want to be assured that the wheat board shall operate efficiently, carefully, not niggardly, but economically for the benefit of the farmer which shall assure him the best price, the largest possible return. We say, too, that it should not be used as an instrument of government policy whereby the farmer, in the midst of rising prices, has his price maintained at a level far too low, having regard to all the circumstances.

Mr. ROBERT FAIR (Battle River): I am glad to see that the water glasses have been drained so quickly on the other side of the house, and I hope the temperature has decreased a little on that side because I do not intend to take up very much time. In order that Social Crediters shall not be accused of holding up this legislation, legislation which we have asked for on many occasions during this session, I am going to state now on behalf of this group, that we are supporting this legislation, Bill No. 135. We may perhaps be accused of changing our minds from the stand we took two weeks ago. At that time we did approve the amendment which was moved by the hon. member for Souris (Mr. Ross) to divide the bill into three sections. We did that for one purpose, and one purpose only, namely, to speed the passage of the legislation.

Perhaps, if the government had been in a real hurry this legislation would have been introduced when we came here early in December. Then we could have dealt with it, instead of some of the other matters dealt with during the two weeks we were here in December; or perhaps we could have taken up some of the time to deal with this bill that we have used up on other matters of less importance since we came here on January 26; or perhaps better still the Minister of Finance (Mr. Abbott) could have gone on the radio again on November 18. We remember very well that on November 17 he went on the radio and assessed or levied taxes on the

people of Canada without authority of parliament, and on the next night he might have gone on the radio and told the farmers of the prairie provinces that this amount would be paid to them, and that when parliament met we would pass the necessary legislation. That, however, was not done, and if the suggestion of the hon. member for Souris had been followed out I believe this legislation could have been on the statute books tonight and the western provinces given every opportunity to pass the necessary complementary legislation.

Our big difficulty now is to see that this interim payment is got out without any further delay. We remember that last fall, after the agreement with Britain was signed, in which it was agreed that $2 a bushel would be paid for the 1948 crop, an announcement was made that there would be an additional interim payment. Later on we were told that the payment would run up possibly to thirty cents. Some people had it go as high as forty cents. Under present conditions I believe a payment of forty cents could be made, but up to the present time we have not been told what the payment will be.

I am going to suggest to the government that, in order relieve distress in many parts of the prairie provinces, the farmers who were either hailed out or dried out last year be given their payments first as far as possible and then get the other payments out just as fast as it is possible to do so, because today many farmers in all sections of the prairie provinces are in dire need of this money which they have figured on for many months in order to get their crops in this spring.

Let nobody make the mistake that the farmers are getting money from the treasury of Canada, because this money belongs to the farmers of the prairie provinces, as well as many millions of dollars that are not in the fund at the present time. In many cases farmers are still paying interest on their debts which should have been discharged with these belated payments on their wheat.

When speaking on the 27th of last month the Minister of Agriculture (Mr. Gardiner) mentioned the too high interim payments that were made by the pools back in 1929. At page 1717 of *Hansard* we find:

> We gave reasons which were referred to this afternoon by the hon. member for Swift Current, without drawing the conclusions which many of us have drawn on previous occasions.
>
> I asked him whether there had been any pooling of oats and barley since 1932, and I might have asked whether there had been any pooling of wheat since 1932. The only reason why there has been no pooling of oats and barley since 1932 is that the wheat pools prior to 1932 made the mistake of paying too high an initial payment and were not able to pay any participation.

In case that should go out without contradiction, I am quite satisfied that the pools did pay an initial payment which was too high for the conditions that followed afterwards, but while that initial payment was less than 90 cents a bushel, 87½ cents I believe, it must be remembered that the price of wheat was up to $1.50 a bushel during that fall of 1929. Had the grain trade and others interested had their way, the initial payment would have been much higher than 90 cents a bushel. But the officers of the pool, being sound administrators then as they are today, kept the initial price down; and it was the fault of the government in office at that time, in allowing a man-made depression to come about and bring down the price of grain and other farm produce, which made the initial payment too high. So that the government instead of the pool must accept full responsibility for losses which were sustained by the pool at that time. I might say, in connection with that matter, that grain men who had been in the grain business all their lives on the grain exchange went broke on that occasion. They were caught in a trap which they perhaps had helped to set.

Going on a little farther and dealing with prices, the Minister of Agriculture had this to say at page 1720 of *Hansard*:

> A very considerable part of it will never be paid back.

That is dealing with the money which was lent to various countries in order that they might be able to buy our wheat and other produce. To continue:

> And to the extent to which it is not paid back, in so far as it relates to wheat, the money which was paid to the farmer for the wheat is a charge on all the people of Canada. That money goes to the farmer, and I think it ought to go to him. As we go along with this plan of marketing and make the payments which are provided for in the bill as it is now before the house, we shall be in a position to show in due course that the farmer will have obtained more money, on an average annually, than ever before through his payments based upon $2 for next year, the $1.55 he has obtained from Britain in the three years that have gone by, and based upon the wheat which has been sold outside of Britain at higher prices running up as high as $3.40 a bushel, and out of a negotiated price from Britain in 1949. Out of all these the farmer will have obtained more money for his wheat than he could have obtained under any other system.

I do not think it is necessary for me to read any farther there, because I believe that the minister has tried to draw a red herring across the trail, not only in this instance but when

he was dealing with the price of wheat in the United States. In Canada we have an entirely different situation from that which prevails in the United States. What we must compare is the price that we have received on an average on the British contract and the price of class 2 wheat that is sold by the wheat board, which, as the minister has said, on some occasions ran as high as $3.40 a bushel.

Mr. GARDINER: Pure nonsense.

Mr. FAIR: It is a pure loss in dollars and cents to the farmers, regardless of what the Minister of Agriculture may say.

Mr. GARDINER: Pure nonsense.

Mr. FAIR: I do not think there is any mistake about it, and the farmers are fully cognizant of that fact. So that in my opinion, and I have expressed it on many occasions before, the government has made a mistake as far as the farmers are concerned; and I again request the government to make good out of the consolidated revenue fund sufficient money to pay the farmers the difference between the price received from Britain and the world market price or the price of class 2 wheat, I do not care which you call it.

In addition to that, there is the matter of the subsidies borne entirely by the Canadian farmers in order to give the people of Canada cheap bread and also the subsidies that have been borne again by the Canadian farmers when wheat was sold at a controlled price of $1.55 a bushel in all export markets of the world.

We are in favour of coarse grains being marketed through the wheat board and of going just a little bit farther than the bill itself goes. We should like to see rye also included. That may not perhaps suit some of our friends in Winnipeg, but that does not make any difference. They have had their innings and now it is about time that farmers received that to which they are properly entitled.

I stated at the beginning that we would support this legislation. We shall not hold it up, because we believe it is necessary that this bill be passed without further delay so that the provinces may pass the necessary complementary legislation. I am glad to be able to state that the government of Alberta is quite ready to pass the necessary complementary legislation provided that the provinces agree that the interests of the prairie farmers are fully protected; that is to say that, among other things, we do not have a ceiling on the price of our coarse grain, and there are some other conditions which may be named later. The government of Alberta expects to finish its work within the next two weeks. This will mean that they should have from this government some clear-cut indication of what is required of them by way of legislation. It will be found that all possible co-operation will be received from the Alberta government at as early a day as it is made possible for them to give it.

I do not think it is necessary for me to speak longer. I have given the house our stand, and I hope that this legislation will be passed without much further time being taken up in discussion.

Mr. L. A. MUTCH (Winnipeg South): I hope the house will not misunderstand it, Mr. Speaker, if I do not enter into the Saskatchewan election campaign which we have been having most of the afternoon and a good deal of the evening. In the little time that I shall talk, I shall try to substitute common sense for eloquence and invective. Before this bill goes to second reading, I wish to express my view and the view which I conceive to be that of a good many Canadians on part of this bill before we are required to vote on the principle of it.

Before someone suggests to me that there is something unique about a member representing a city constituency, as I do, entering into a discussion of this kind, I should like to say that my own family have been farming the same farm in Manitoba since long before any of the hon. members of either the C.C.F. or the Social Credit party were born. That farm is still being maintained. Consequently, although I for various reasons have not had the physical experience of farming to any extent, I have been closely associated with it. I have spent my life in a province where farming is the main industry. I am one of those who knows what many members of this house sometimes seem to forget, namely that everybody in the Dominion of Canada, whether he or she knows it or not, is in the wheat business.

I should like to say one congratulatory thing to the modern "Saul" of Souris. Somewhere between the time of the by-election in Portage la Prairie and December of last year the hon. member for Souris (Mr. Ross) must have seen a great light. I am greatly encouraged, in the point of view that I have, to recognize that fact; because it indicates to me that for others, not only on the side of the house toward which I am looking but on the side of the house on which I sit, there is still hope for those who have lost sight of the realities of this discussion in a spate of invective and political adventuring.

I hardly need to say, in view of previous comments of my own in this parliament, that with respect to the pension part of the bill I have no objection. With respect to the payment of these moneys which have accrued to the credit of the farmers who created them I have no objection. My objection stems solely from my conviction that there is something fundamentally wrong and fundamentally dangerous—I almost said something insincere—about the third part of this bill which refers to the bringing of the marketing of coarse grains, oats and barley, under the wheat board. I am not an opponent of the wheat board, but I am an exponent of the freedom of the individual engaged in agriculture, or any other means of earning his living, from what is a sheer monopoly. It is the monopoly aspect of the wheat board to which I object. As a member of this house and as a citizen of Canada I would have no objection to this part of the legislation if there existed in Canada today, as there once did, the opportunity for the farmer to market his grain either through the wheat board or through the trade.

During the time I have been in this house I have listened to a great deal of nonsense with respect to the marketing of wheat through the trade, the free marketing of wheat. Perhaps the silliest of all the arguments I have heard—and most of them were silly—are those based on the oft-repeated suggestion that the system of marketing grain through the exchange and its facilities was a costly thing for the farmers of western Canada. It is useless to establish it, I suppose, because people have said the other thing so often they have come to believe it themselves, but it can be established and indeed has been established over and over again that no other primary product produced in this country—and I place emphasis on those words "in this country"—has ever been handled at such low cost as was the grain on the prairies when it was handled through the facilities of the exchange.

Some hon. MEMBERS: Oh, oh.

Mr. MUTCH: I know hon. members challenge that statement, and I would not be surprised if some of them do not believe it is true, but it has been established over and over again. The trouble is that the mentality of some of those who retain their popularity, not to say their positions, by constant agitation is similar to that of some persons I ran into in connection with the inquiry into the profits from the canteens during the last war. It is well known to people generally that commodities carried in those canteens were handled at a very narrow margin of profit, and when we came across an item of something like a quarter of a million dollars from the sale of Coca Cola there was a howl and a question as to why that commodity should not have been sold to the troops at a price which would not have brought that kind of profit. When we came to examine it, however, we found that the profit was a quarter of a cent a bottle, and we have no coinage in this country as small as that. It was found that the profit of a quarter of a million dollars arose from the fact that a million bottles of Coca Cola had been sold. A good deal of the unthinking criticism of the legitimate profits which were made from marketing through the grain exchange is the result of that same sort of thinking.

Mr. BENTLEY: The hon. member is making assertions. Why does he not support them with figures? He has none?

Mr. MUTCH: Oh, yes, there are figures; but let me remind my hon. friend that, while figures do not lie, very often people who use them do; and I am trying to follow what I think is the proper procedure on second reading of a bill, by dealing with the principle of the bill itself.

Mr. BENTLEY: I was being kind when I said you were making assertions.

Mr. MUTCH: I appreciate the unfailing courtesy of my hon. friend. However, my objection to this legislation is not based primarily on the effect it will have on a specific institution but on the effect I believe it will come to have on the whole political life of this dominion. I am aware, as some other hon. members who have spoken in this debate appear to have been aware, that the bringing into operation of this legislation is another step, perhaps almost the last step, in creating a state marketing monopoly, which to my mind is socialism gone crazy. It means simply the final and perhaps permanent division of the two branches of agriculture in this country, namely the producers on the prairies and the feeders in central Canada and on the Pacific coast.

I have been here long enough, Mr. Speaker, to realize what happens when a government gets into the position of having to give political consideration to decisions which have to be made. I would not be surprised or perhaps very indignant if someone should rise and try to justify the introduction of legislation to the disadvantage of the western farmer and to the advantage of the eastern farmer simply

and solely, as far as the party I normally support is concerned, on the basis of giving consideration where consideration is received. But I do not consider that a healthy situation, and for that reason I do not want to see opportunities for that sort of thing multiply.

Politically I am perfectly certain that if we resort to absolute state trading, through a board to handle all grain in the country, we shall not only put the farming community into economic slavery, which is the first tragedy, but make farm prices a political football, the results of which action can be nothing but disastrous for generations to come. This demand for the inclusion of coarse grains under the wheat board is not primarily an attack upon one institution. It is a thoughtful, deliberate attack on the very principle of free enterprise itself. Many of those who attack the marketing of grain through the trade are at the same time the most vocal advocates of free enterprise with respect to other commodities and other businesses. But it does not require a great deal of imagination on the part of any hon. member to realize that all the arguments which can be advanced for the control of cereal grains, because they are foods, can be extended with equal facility to the control of fuel, of shelter and of clothing. In a country with a climate such as we have, even if everyone has enough to eat at a price they can afford to pay, there still remain the twin problems—and not inconsiderable problems at that—of fuel and shelter.

This, then, sir, is a disguised attack on the principle of free enterprise itself. If we can successfully attack free enterprise in its handling of one of the primary products of this country, perhaps its greatest product, it is then but a simple and logical step, and part of the planned procedure, to bring the whole economy of this country under the socialist concept.

So, primarily for the reasons I have stated, without eloquence, as I said at the beginning, on this occasion and on each and every other occasion that presents itself I do not propose, either in this house or out of it, to be a party to any piece of legislation which will give the impression that the elected representatives of our people believe in state control of marketing.

As I have said, I have been here and have listened to these debates now for, I think, fifteen sessions. The volume is building up. I say, as I said in an interjection a little while ago when the hon. member for Melfort (Mr. Wright) was speaking, that I question seriously whether the house, or any member of it, has a mandate from his constituency or from the country as a whole to say there is a demand from a majority, or even a considerable minority demand, for the inclusion of coarse grains under the wheat board.

I am perfectly well aware that members on both sides of the house are very glib at quoting officers and officials of various farm organizations throughout the country. But I venture to say, on my responsibility as a member, that, so far as I am concerned, I do not believe that organized farm organizations speak for more than forty per cent of the farmers in any part of this country. And on the average I should think it would be considerably less than that.

I know sections of western Canada where there are farm organizations. Many of these have been little local groups belonging to various farm organizations that have perpetuated themselves, in my memory over a period of ten and fifteen years. These little groups have been in communities of six hundred or seven hundred farmers. They have met every year, and in each year they have passed resolutions in the name of all local farmers. I challenge the members for many of those constituencies or communities to show me twenty per cent of the farmers in their constituencies who know who the officers are.

Generally speaking, when in the House of Commons we want to do something to which there is opposition from farmers we are inclined to say that organization heads are the farm leaders, to claim that some gentleman from the Ottawa valley speaks for the farmers of western Canada. I do not know about other farmers, but I know something of the farmers in western Canada, and in these matters a great many are inarticulate, except at the ballot box.

There is only one more thing I wish to say, and that is this, that if something is wrong in principle, as I can conceive this to be, I do not think it is a defence of that particular wrong principle to say that this government will only enable another government to do something, and to admit, by so evading the responsibility, that there is a possibility that it will not be approved. Nor is it good enough to say the farmers and others in those provinces will have an opportunity, when election day comes along, to express their pleasure or displeasure with the provincial government.

If it is wrong in principle as I conceive it to be, then I do not think it is any better when a provincial and a federal government get together to apply that wrong principle than it is when either of them does it individually.

I could—indeed perhaps I should—detain the house for a little while and make a statement in answer to some of the specific charges which have been levelled, not against the principle of open marketing in the matter of grain, but the childish and often senseless repetition of charges against the Winnipeg grain exchange; not just because it happens to be in Winnipeg, because there are other exchanges. The same kind of people level the same kind of charges wherever free marketing flourishes. But I cannot see that it would do any good to discuss this. When you are facing a hurricane it is of little use to whistle. There is at the present time, I know, a campaign of thoughtless, inspired and, in some instances, malicious misinformation in the name of education going on against the Winnipeg grain exchange.

I think the responsibility to meet with that and to confound it and refute it is largely the responsibility of those who are most affected. I know this, that nothing I can say has not already been brought out over and over again in investigations and royal commissions. There is very little that anyone can say that is not known personally to those who from time to time, and for reasons which one must leave to their own conscience, repeat, in season and out of season, without shadow of justification and without even a sense of responsibility, these attacks on the grain trade; who attack men who, by their efforts, by their skills and the investment of their money, have served the public of western Canada to a degree which is appreciated more than many members of this house seem to realize, by those who have been the beneficiaries of their service. If in the not too distant future the wave or wind of discontent with the kind of tripe which is being levelled against free enterprise, specifically in the grain trade, should blow away from the picture some of those who have been actually carrying on this crusade, tilting at figures which are a figment of their own imagination, then they should not be too much surprised.

Mr. C. C. MILLER (Portage la Prairie): Mr. Speaker, I shall not delay the house long, because there is not much time left in which to delay it. There are, however, some points in connection with the bill about which I should like to speak for a few minutes.

I did speak on the resolution, but since the resolution has passed I have received some additional information which has caused me to make some additional remarks relative to the pension amendment proposed in this bill.

The parliamentary assistant to the Minister of Trade and Commerce has been good enough to give me in advance the answers to a question I put on the order paper in connection with salaries, and other information relevant to the employees of the wheat board. The reason obviously that question was asked was to give some idea of the number of employees and the amount of money they were being paid by way of remuneration, so that we could determine for ourselves and make up our own minds as to whether or not we thought that those employees of the wheat board should be pensioned, or that a pension fund should be provided for them at the expense, to some extent at least, of growers of grain in the western provinces.

The hon. member for Souris (Mr. Ross) discussed this matter more or less briefly this afternoon. The first question I asked in my question on the order paper was as to the number of employees, including the members of the Canadian wheat board, as at December 31, 1947. The answer to that question was 676. That 676 included the members of the board. The second question was:

Is the consolidated revenue charged with the payment of salaries or wages of (a) the board; (b) the board's employees?

The answer to that was no. Therefore the salaries or wages of these employees are obviously paid as part of the operating expenses out of the proceeds of the sale of the farmers' grain. I am not taking particular issue with that. There is one small exception to that rule, but it is not important for the purpose of this debate. Then, as the hon. member for Souris stated, there were these various employees receiving these varying amounts of remuneration, beginning at $1,000 per annum. The following figures will show the rates of salaries, and the numbers of employees receiving those salaries:

Under $1,000	103
1,000 to $2,000	388
2,000 to 3,000	122
3,000 to 4,000	26
4,000 to 5,000	6
5,000 to 6,000	7
6,000 to 7,000	2
7,000 to 8,000	7
8,000 to 9,000	2
9,000 to 10,000	1
10,000 to 15,000	11
15,000 and over	1

In addition to that, there were twenty-eight part-time employees at remunerations ranging from $660 to $1,560 per annum.

The hon. member for Rosthern (Mr. Tucker) did not deal any too clearly with this question of pensions. He gave it his blessing to some extent, but not too definitely or in too clear language. I wonder if the hon. member for Rosthern is prepared to say definitely

and without equivocation that he is in favour of the farmers of Saskatchewan, from the drought area if you will, having to subscribe or permitting to be subscribed on their behalf certain moneys into a pension fund to provide pensions for eleven men who are getting from $10,000 to $15,000 a year?

Mr. TUCKER: I am going to vote for the bill.

Mr. MILLER: The hon. member is going to vote for the bill because he dares not vote against it. There is no bill that this government would bring in that the hon. member for Rosthern would vote against.

Mr. TUCKER: They are a pretty good government.

Mr. MILLER: On top of that, the hon. member for Rosthern based a lot of his argument upon what was contained in the brief which was presented by the Canadian Federation of Agriculture to the government and from which he read at some length. I did not hear the hon. member for Rosthern read anything from that brief to the effect that the farmers who belonged to the C.F.A. wanted the wheat board to pay money out of their funds to provide pensions for employees already getting from $10,000 to $15,000 a year. My hearing may be faulty, but I have no recollection of having heard that read from the C.F.A. brief. I doubt if at any time any organization of farmers, including the C.F.A., ever asked the government to bring in an amendment to the act to provide pensions for men already getting from $10,000 to $15,000 a year.

Mr. GARDINER: That is true of all our deputies.

Mr. MILLER: The hon. member for Rosthern skated around that idea. So far as the farmers of western Canada are concerned, he was skating on thin ice. I doubt if the hon. member for Rosthern because of his build, either as a member of this house or as the leader of the Liberal party in Saskatchewan, should go too near thin ice.

Mr. TUCKER: He did not skate around as much as you did in regard to saying in the by-election that you would close the grain exchange when you are saying now you want to leave it open.

Mr. MILLER: The hon. member cannot get me on that. Above all hon. members of this house I have been consistent in my stand, both as to the wheat board and as to the grain exchange. I said it in that famous by-election to which he referred—if it is famous, and I hope it is not infamous—at meetings where there were grain exchange men and at meetings where there were farmers. I can say what I believe on that score at any time and at any place without having to change face.

Mr. HOWE: What did you say?

Mr. SINNOTT: Tell us what you said?

Mr. MILLER: I know the hon. member for Springfield is not really worrying about any answer I might make that might be taken down in evidence and used against me in my trial at the next election. I know he is not worrying about anything like that. I know he is sincere in wanting to know how I stand. I imagine how I stand would make an awful lot of difference to the way in which the hon. member for Springfield will vote on this amendment.

Mr. SINNOTT: You do not answer the question.

Mr. MILLER: There has been a lot of talk here about delay.

Mr. SINNOTT: You are doing considerable skating yourself.

Mr. MILLER: Yes, I played hockey once.

Mr. TUCKER: You are a better skater than I.

Mr. MILLER: If I were as big as the hon. member for Rosthern I would still be playing hockey.

Mr. SINNOTT: You are almost as good as Barbara Ann.

Mr. BENTLEY: Neither one of you are easier to look at.

Mr. MILLER: Let me refer to this question of delay which has been referred to so often today, particularly by the hon. member for Rosthern. No matter how loudly the hon. member for Rosthern may talk, there can be no accusation that hon. members on this side of the house are responsible in any way for that delay. The cure for the delay is simple. All that the government had to do was to bring in a bill at the outset providing for the payment of these funds and the funds would have been paid out long before this. But no, they did not bring in a bill providing solely for that. If they had had any foresight at all they must have known that that would have met with the unanimous approval of this house. But no, they mixed it up with all kinds of other things. If they did not know that the hon. members of this house would be opposed to some parts of this bill, then they

were entirely lacking in foresight. They cannot by reason of that lack of foresight blame us or any other party on this side of the house for any delay.

Mr. KNOWLES: Question.

Mr. MILLER: What question? I want to say something about the amendments relative to coarse grains. As far as I can understand, we have been arguing all day as if the issue were just the simple one of whether coarse grains were to be under the wheat board or whether they were not. I submit that that is not the issue before the house. There is nothing in this amendment to warrant us in assuming for one minute that some people on one side are in favour of putting coarse grains under the supervision of the wheat board and that other people in other parts of the house are opposed to that principle.

I suggest that the government do not know themselves whether they intend to have the wheat board handle coarse grains this year, next year or ten years from now. No member of the government can rise in his place and say that, even if they had all the enabling legislation in the world, they would put coarse grains under the jurisdiction of the wheat board tomorrow.

Mr. KNOWLES: What would you do?

Mr. SINNOTT: The machinery is all set up.

Mr. MILLER: I suggest that they do not believe they will ever have to face that issue. I submit that the government are playing both ends against the middle on this question. There is not a law officer or a minister of the crown who can tell us, even if the proposed amendment were put into effect, whether the putting of coarse grains under the jurisdiction of the wheat board is or is not constitutional. They have not approached it in a manner that would lead us to believe in confidence that the government ever had or ever will have any intention of putting coarse grains under the jurisdiction of that board. I imagine that at this day and at this sitting the government do not themselves know that they will bring coarse grains under the operation of the wheat board act.

But suppose the government are acting in the best of faith. Suppose they are genuinely anxious to have coarse grains put under the jurisdiction of the wheat board, maybe not this year but perhaps next year. Let me answer some of the arguments of the hon. member for Rosthern with regard to delay. There is not a single, solitary cabinet minister who would stand in his place for one minute and try to convince this house that he believed that, no matter what the house does with these amendments, they could by any possible stretch of the imagination get the legislation through the various legislatures of this dominion in time to put this in operation this year.

Mr. TUCKER: Why not give them a chance?

Mr. MILLER: It is all right to give them a chance, but the hon. member for Rosthern today accused hon. members on this side of delaying it until the legislatures would be no longer sitting. If the government were in earnest and really wanted to get this legislation through, I know the Minister of Agriculture (Mr. Gardiner) is rather efficient in getting done what he really desires to have done, and I would wager that he would have had this all lined up last summer. He would have known exactly whether it was constitutional or not. He would have had conferences with the various legislatures. The various ministers of agriculture were here last December. Was there any talk of enabling legislation at that time? If so, why is the premier of Saskatchewan now writing to the Minister of Trade and Commerce (Mr. Howe) to find out what kind of enabling legislation is required by this government from the provinces?

Are the ministers of the crown prepared to tell us tonight whether they do or do not require enabling legislation from the provinces of Quebec and Ontario? The Minister of Trade and Commerce suggested that it might possibly be the situation that they might have to get enabling legislation not merely from the western provincial legislatures but also from the legislatures of the east where the grain would be sold. I suggest that the Minister of Trade and Commerce tonight does not know whether he has to get enabling legislation from the provinces of Ontario and Quebec or perhaps even from the maritime provinces before any such coarse grains can be brought under the operation of the wheat board act.

I believe that all that is going on here now is a little by-play, a little story to make those who want coarse grains under the operation of the wheat board believe that this government is doing all it can to that end, while at the same time it is in a position to say to those who are opposed to that proceeding, "Well, we have not done anything about it, have we?"

They are getting themselves into the glorious position of being able to play both ends against the middle. We have a wheat board. One of my colleagues made the suggestion

that the Minister of Trade and Commerce dominates the wheat policy of the country and, in effect, actually runs the board. Nevertheless, both the Minister of Trade and Commerce and the Minister of Agriculture do, at least on occasion, call in members of that board and members of their advisory committee to talk these matters over and perhaps advise the ministry on the course of action. I do not say that the ministry always take their advice, or are bound to take their advice, but it would be interesting to know whether that advisory board, or council, or whatever it is, or the wheat board, have ever advised the Minister of Agriculture or the Minister of Trade and Commerce that the wheat board wanted to handle coarse grains.

Mr. KNOWLES: What would you advise?

Mr. MILLER: I am not in the position of advising. It may not be long, but not yet. When, however, that time comes—

Mr. HOWE: You will be out of the house, probably.

Mr. MILLER: I would not wonder; but when that time comes, when we are in the position of advising, we shall never come into the House of Commons with a half-baked measure such as has been brought before us and which we are asked to accept now.

Mr. KNOWLES: You will probably do it by order in council.

Mr. MILLER: The hon. member for Winnipeg North Centre (Mr. Knowles) is very good at jibing in on these things and I suppose that is fair enough, because I have been doing it to him.

Mr. KNOWLES: I want to find out where you stand on the question.

Mr. MILLER: When the time comes that there is a question I will vote. I never hide under a bushel.

Mr. TUCKER: Why don't you let us vote, then?

Mr. MILLER: The trouble with the hon. member for Rosthern is that he has been standing up and shouting and yelling in this house so long that he thinks, when he has made the welkin ring and this hall reverberate, all wisdom has been given the house and no one else has anything left to say. I say it to you, Mr. Speaker, that if any member of this cabinet, responsible for carrying this legislation into effect, were sincere in his purpose, in wanting to have coarse grains put under the operation of the board, the logical and natural thing to do, as the hon. member for Melfort said, was to have called the representatives of the provinces together long before this date and have the matter put into some sort of shape so that they could come here and tell us whether it was constitutional.

Mr. GARDINER: Might I answer the suggestion made to me a moment ago? The question was discussed last December at the dominion-provincial conference. It was discussed at the national meeting of the Canadian federation and was reported in the press. If my hon. friend followed these things he would know it was discussed.

Mr. MILLER: I know it was discussed.

Mr. TUCKER: Just ten minutes to go.

Mr. MILLER: I want to revert to another matter now.

Some hon. MEMBERS: Question.

Mr. MILLER: This is not bad initiation; I am rather enjoying it. I want to turn now to one other angle which perhaps relates at least remotely to the amendment we have before the house, and I wish to comment on the almost unique argument made in this house not so long ago by the Minister of Agriculture. I know we have been hammering away on this side of the house against the government, urging that farmers should not be asked to carry the whole load and bear the whole of what we claim to have been lost in connection with the sale under the British agreement. For the first time in my recollection, the Minister of Agriculture, not many days ago, advanced what I would call a unique argument. He said the loans would not be paid anyway—

Mr. GARDINER: A considerable part of it.

Mr. MILLER: —and therefore the farmer was not carying the load; that part of it would be carried by the general taxpayer of the country.

Mr. GARDINER: I made the same statement in the discussion of this same bill a year ago.

Mr. MILLER: Well, the Minister of Agriculture used to get up and make a speech almost every time we turned around last year, and he will forgive me if I do not remember every speech that he has made. Surely the minister will admit that the argument was unique, if he will not admit that this is the first time he has made it. I hope he will admit that it is unique. First of all, the Minister of Finance does not agree with the Minister of Agriculture. He says that, except for setting up a reserve to the extent of $25,000,000 a year, to take care of

bad loans, the money will be got back. The former minister of trade and commerce, now the Minister of Fisheries (Mr. MacKinnon), used to gloat over his tremendous exports, and when he "blew" about exports we presumed that he was gloating about exports he was getting money for. It does not take a very wise man to figure that if you have ten, or one hundred, or six hundred million bushels of wheat, and you wish to have a big export trade, provided that you are ready to give it away, you can mighty soon do a big business. I could do the same thing in the automobile business if I had a bunch of automobiles and wanted to give them away; I could have a tremendous turnover. That is the position the minister is getting into.

Mr. MITCHELL: Are you objecting to coming to the assistance of the British people?

Mr. HOWE: He will not answer that.

Mr. MILLER: When a minister asks that question of a member I submit in all fairness that the implication is not a very good one.

Mr. MITCHELL: You brought it up.

Mr. MILLER: Would the minister suggest for a moment that I am not in favour of giving aid to the British?

Mr. MITCHELL: Why raise the question?

Mr. MILLER: That is not the argument at all. I have made myself clear on the record many times—

Mr. SINNOTT: You cannot skate around that one.

Mr. MILLER: I often wonder, when the hon. member for Springfield interjects such remarks, how, before he was elected in 1945, this house ever got along without his interjected effervescent wisdom.

Mr. SINNOTT: It had effect anyway.

Mr. MILLER: Surely I can draw this conclusion, from what the Minister of Agriculture said, which he now says he said twice, namely, that everybody has to pay on this wheat because they will have to pay the money that the British will not pay back. If that is his premise, then I suggest to you, Mr. Speaker, that at long last he has admitted the argument that we have been making here, that there is discrimination against the farmer and that the farmer is carrying an unfair portion of this load.

May I refer to coarse grains again? If the minister who is charged with the progress of this bill through the House of Commons is in earnest—he is a man of honour—and will rise in his place in this house and tell us without equivocation, tell us beyond question that he will see that an order in council is passed if the necessary enabling legislation is brought in; if he will rise in his place and tell us deliberately in no uncertain terms what provinces he thinks he must have enabling legislation from; if he will tell us when he expects to have enabling legislation; if he will tell us at least how long he expects it will take them to pass that enabling legislation, then we shall have a lot more to go on than we now have.

Mr. KNOWLES: We know where you stand.

Mr. HOWE: If you sit down I might tell you.

Mr. MILLER: I shall give you the chance if you will tell me, but I do not surrender my place; I will let you answer the question.

Mr. HOWE: If I speak now I will close the debate, Mr. Speaker.

Mr. MILLER: The minister says he will answer my question and I have given him the chance. He would not be closing the debate.

Mr. HOWE: I would be.

Mr. MILLER: The minister did not start it and I do not think he will close it.

Mr. HOWE: I will close it.

Mr. MILLER: If we pass this bill, undoubtedly as the years go by, as they will, as the house meets from year to year, as it will, we shall have to listen endlessly in this House of Commons, unless we have an election in the meantime, to the Minister of Trade and Commerce and the Minister of Agriculture from time to time answer my hon. friends to the left and try to explain to them, if they can, why they have not passed an order in council putting coarse grains under the operation or supervision of the wheat board, and I shall prophesy—

Mr. TUCKER: Why not put them in that position?

Mr. MILLER: I shall prophesy, again, Mr. Speaker, that, as time goes on, another excuse will be given. I shall give you the excuse in advance so that it will be on *Hansard*. The excuse will be, well, we have done all we could; we passed the bill. We took power by order in council and we got an enabling bill from Saskatchewan and Manitoba and from some of the other other provinces; but we have not yet been able to complete our negotiations with the two provinces of Ontario and Quebec and we have not made up our minds yet whether we have to get enabling

legislation from New Brunswick and perhaps British Columbia because they feed chickens, and therefore we do not know exactly where we are. That will go on and on.

Mr. KNOWLES: On and on.

Mr. MILLER: If I did not go on and on it would be eleven o'clock.

Mr. KNOWLES: Question.

Mr. HOWE: Question.

Mr. MILLER: I want to deal with one other amendment that is mentioned in the bill.

Mr. MacINNIS: You will hardly have time.

Mr. MILLER: I want to speak of one other amendment that is in the proposed bill—

Mr. TUCKER: Three minutes to go.

Mr. MILLER: I refer to the amendment relating to—

Mr. KNOWLES: I rise to a point of order. It is out of order on second reading of a bill to deal with sections of a bill.

Mr. GRAYDON: An echo of the Liberal party.

Mr. MILLER: I had not got that far. I will speak of it in general terms. I think the objection was well taken, Mr. Speaker. It is an amendment that has been entirely disregarded in this house, or at least it has been too lightly regarded. There has been too little explanation in respect of it. The amendment relates to the control of the transportation of wheat products from one province to another, I presume. The only comment I heard on that amendment in the house was made by the Minister of Trade and Commerce. I think he referred to flour. If coarse grains come under the operation of the wheat board I presume that the amendment which has been proposed is wide enough to cover all products of oats and barley, and I suppose there will be a bit of a problem to a Scotsman like myself on the question of transporting from one province to another oatmeal to make porridge.

When the minister does close the debate I wonder if he would refer to that. It may not be an important matter, but perhaps it should be in here so that we do not overlook anything. When the minister closes the debate he should give us a list of the products that he thinks will be covered by the amendment which relates to wheat products and the other possible oat and barley products. I move the adjournment of the debate.

On motion of Mr. Miller the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: On Monday we should like to take up, first, the resolution standing in the name of the Minister of Finance, which is No. 15 on today's order paper. It is one that I am told is not controversial. It has to do with the refunding of certain debentures of the New Westminster harbour commission, and it is something which has to be done before the end of the fiscal year. It is hoped that it may take only a very few minutes to introduce the bill. Hon. members will probably wish to have the terms of the bill for the purpose of any debate, should any debate be desired.

Then the Minister of Justice will proceed with second reading of the bill to provide that certain orders and regulations of the governor in council be extended for a limited period. If that is disposed of, the Minister of Agriculture will propose the resolution which is No. 8 on the order paper of today, to bring in a measure to amend the Agricultural Products Act.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, March 15, 1948

The house met at three o'clock.

PRIVILEGE

MR. FERGUSON—PROVINCIALLY OWNED INSURANCE COMPANIES

Mr. J. H. FERGUSON (Simcoe North): I rise to a question of privilege. On Saturday the Montreal *Gazette* published an article stating that J. H. Ferguson, Progressive Conservative member for North Simcoe, agreed with Mr. Coldwell, leader of the C.C.F. party, when a bill was introduced to authorize an insurance company to be established in the province of Manitoba. Many friends of mine in Montreal, Toronto and Ottawa have brought this to my attention. So that there may not be the slightest misunderstanding I want to make the statement that I did not agree in any way with the hon. member for Rosetown-Biggar (Mr. Coldwell) with respect to the successful operation of the insurance company owned by the province of Saskatchewan. I do not believe it can possibly operate as economically and successfully as the stock companies of England, the United States and Canada. I wish the Canadian Press and the C.B.C. would make this correction, and say that Julian Ferguson of North Simcoe does not agree with the operation of an insurance company by any provincial government.

PRIVATE BILLS

SENATE BILLS—FIRST READINGS

Bill No. 137, to incorporate Rinker Finance Corporation.—Mr. Dechene.

Bill No. 138, to amend The Export and Import Permits Act.—Mr. Maybank.

Bill No. 139, for the relief of Mildred Frances Batten Gzowski.—Mr. Maybank.

Bill No. 140, for the relief of Irene Nellie Kon Ballantyne.—Mr. Maybank.

Bill No. 141, for the relief of Theophile Gobeille.—Mr. Maybank.

Bill No. 142, for the relief of Violet Mary Cowper Preston.—Mr. Maybank.

Bill No. 143, for the relief of Virginia Grace Borland Langton.—Mr. Boucher.

Bill No. 144, for the relief of Ethelwyn Lillian Flynn Budd.—Mr. Croll.

Bill No. 145, for the relief of Alfred Winston Savage.—Mr. Maybank.

Bill No. 147, for the relief of Diana Eve Whittall Beurling.—Mr. Maybank.

HOUSE OF COMMONS

SUGGESTED ARRANGEMENT AS TO LENGTH OF EASTER RECESS

On the order, "Government notices of motion":

That when this house adjourns on Wednesday, March 24th instant, it stand adjourned until Tuesday, the 30th instant.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with the permission of the house, and without moving it at the present time, I should like to say a word on this resolution which has reference to the Easter adjournment.

This morning I had the privilege of meeting with the leaders of the three parties opposite. We discussed together what seemed to be most advisable with regard to the Easter recess. For reasons I need not enumerate at the present time, we were in agreement that what has been the customary length of adjournment in recent years might with advantage be followed again this year. This means a longer rather than a shorter adjournment.

As it now stands the notice of motion is that when this house adjourns on Wednesday, March 24 instant, it stand adjourned until Tuesday the 30th instant. It was thought—and later in the week I may make a formal motion to that effect—that it would be best to change "Tuesday the 30th" to "Monday April 5".

As to whether we shall adjourn on Wednesday night, the 24th, will depend upon the progress which may be made between now and the end of the present week. If it appears we have not made the progress which I believe will be necessary to make an adjournment on Wednesday advisable, I shall suggest that we sit on the Wednesday night and also on the following Thursday, to adjourn on the night of Thursday the 25th. However if the house can get through what seems to be imperative by the close of Wednesday afternoon, I shall then make a motion to adjourn on the afternoon of Wednesday, the 24th, until Monday April 5th.

Mr. BENTLEY: Has the government given consideration to sitting on Wednesday night of this week and on Saturday—and if necessary, some mornings—in order to make the progress desired?

Mr. MACKENZIE KING: The government has not given consideration to any of the points my hon. friend has mentioned.

Mr. CRUICKSHANK: I should like to ask a question of the Prime Minister in this connection, in order to avoid moving an amendment to the proposed motion. Shall we be provided with air service to the west?

Mr. MACKENZIE KING: I shall have to wait until later to answer that question.

SPECIAL COMMITTEE TO CONSIDER MR. SPEAKER'S REPORT ON PROCEDURE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): May I ask Your Honour a question with respect to the house rules committee which was set up some three weeks ago? I know there were very good reasons which Your Honour advanced previously why this committee could not be called earlier, but I wonder if Your Honour could give the house some idea when the first meeting of this committee will be held.

Mr. SPEAKER: It was my intention to call the committee right after the Easter recess. I could do it before, but I thought that would be better.

Mr. GRAYDON: May I make a suggestion? Perhaps we could have an organization meeting. I realize it is not a large committee but there may be some things to which we would wish to give some thought and consideration over the recess. Perhaps it would facilitate matters if a meeting were called prior to that time.

HONG KONG

REFERENCE TO PRESS REPORT OF STATEMENT BY MINISTER OF JUSTICE

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Prime Minister. I have not given notice of it, but I do not ask him to answer immediately. I would appreciate it however if he would give consideration to it and answer it later.

My question arises from a report which I find in the Montreal *Gazette* and which, I understand, has been published in a good many newspapers, respecting a statement yesterday by the Minister of Justice (Mr. Ilsley).

In view of the statement made by the Minister of Justice and in view of the controversy as to the interpretation of the evidence in the Hong Kong report, will the government give consideration to either printing or mimeographing further copies of that evidence? It appears there is only one copy, and not one person in ten thousand will see that document unless we can find a way of making it available to more people. Will the government give consideration to that suggestion, with a view to making more copies of the evidence available if practicable?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I can answer that question at once. The government had thought that the tabling of the evidence was sufficient, and it is not the intention to have further copies printed. If the matter were to be considered further it would have to go before the joint committee of both houses on printing, and the question considered there as to whether it is advisable that the evidence should be among documents to be ordered to be printed.

Mr. BRACKEN: Would the Prime Minister object to the committee considering it?

Mr. MACKENZIE KING: No, I have no objection.

Mr. GORDON GRAYDON (Peel): In view of the statement given by the Minister of Justice yesterday to the press in which he criticized an editorial in the *Globe and Mail* of the day before, which editorial had criticized the former Chief Justice of Canada and his findings, will the minister and the government consider the matter of abandoning in future the practice of appointing to political inquiries men from high positions in the judiciary?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, my views have been expressed on that subject in the house before. There are occasions when I think it is appropriate to appoint judges of high character and calibre to conduct inquiries. This was one of those occasions. My statement yesterday merely pointed out the ridiculousness of the editor of a newspaper, after having had the opportunity of seeing about 2,300 pages of evidence for only twenty-four hours, charging the Chief Justice of Canada with giving a false report.

Mr. GRAYDON: May I ask a supplementary question of the Minister of Justice?

Mr. SPEAKER: Order.

Mr. GRAYDON: I will be back.

[*Later:*]

Mr. GRAYDON: I desire to ask a supplementary question of the Minister of Justice.

In reference to the case in respect to which he gave his statement to the press concerning the former chief justice, is the minister not aware that on that occasion the former chief justice was sitting, not as an ordinary judge on the bench, but as a commissioner? No appeal from his decision is possible, except to the public.

Some hon. MEMBERS: Order.

Mr. GRAYDON: For that reason—

Mr. SPEAKER: Order.

Some hon. MEMBERS: Order.

Mr. GRAYDON: —we should not be denied the right—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member for Peel should resume his seat when the Speaker rises.

Mr. GRAYDON: I did not see you, Mr. Speaker. I could not hear you for the noise in the chamber.

RADIO BROADCASTING

INQUIRY AS TO ESTABLISHMENT OF COMMITTEE

On the orders of the day:

Mr. THOMAS REID (New Westminster): Mr. Speaker, may I ask the Minister of National Revenue if it is the intention this year to set up the committee on radio broadcasting?

Hon. J. J. McCANN (Minister of National Revenue): The matter has not yet been given consideration, but I take it that if there is any request to set up the committee on radio broadcasting it will be set up.

GRASSHOPPERS

REQUEST FOR GOVERNMENT ASSISTANCE TO COMBAT MENACE

On the orders of the day:

Mr. E. B. McKAY (Weyburn): I should like to ask a question of the Minister of Agriculture. What assistance is the dominion government prepared to give farmers in Saskatchewan in 1948 to combat a threatened widespread attack by grasshoppers as reported by the Dominion Department of Agriculture?

Right Hon. J. G. GARDINER (Minister of Agriculture): The practice in the past in connection with combatting grasshoppers has been for the dominion government to supply all the technical services it possibly can in connection with that matter. But the financing has always been done by the provinces.

LABOUR CONDITIONS

ALLEGED COMMUNIST ACTIVITY AMONG CANADIAN SEAMEN

On the orders of the day:

Mr. J. H. DICKEY (Halifax): I should like to ask a question of the Minister of Labour in connection with one I asked him last Thursday. Has the minister any further information with respect to labour troubles among the Canadian merchant marine?

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, in reply to the hon. member for Halifax may I say that this morning I did receive a wire from Mr. T. Gerald McManus, chairman of the marine council of the Trades and Labour Congress of Canada, in which he suggested arbitration to settle the dispute. I replied to him as follows:

Re your telegram of fourteenth, understand it to contain proposal which your council has decided to place before three unions of officer personnel now on strike. If unions concerned accept this proposal of your council and I am advised officially to that effect by the responsible officers of each union I shall be glad to take the matter up with representatives of ship owners. If then the ship owners accept the proposal but fail to agree with unions on the personnel of the arbitration committee I shall be glad to assist the parties in making the selection.

This is signed by myself.

NEGOTIATION BY SHIP OWNERS WITH COMMUNIST UNION MEMBERS

On the orders of the day:

Mr. J. H. FERGUSON (Simcoe North): I should like to ask the Minister of Labour if it is necessary for ship owners to negotiate with union representatives that have been nominated by avowed communists.

Hon. HUMPHREY MITCHELL (Minister of Labour): I do not care whether they are ship owners or trade unions, they should abide by the law.

Mr. FERGUSON: Or communists.

BUTTER

QUESTION AS TO STEPS TO RELIEVE SHORTAGE

On the orders of the day:

Mr. JAMES SINCLAIR (Vancouver North): I should like to direct a question to the Minister of Agriculture. What steps, if any, is the government taking to relieve the shortage of butter in Canada today?

Right Hon. J. G. GARDINER (Minister of Agriculture): It has been found in Canada that in the four months of winter farmers are

producing only about one-half of the butter consumed in those four months. In the four months of midsummer the same farmers are producing twice as much butter as can be consumed in this country during those months. During two months in the spring and two months in the fall of the year the farmers produce about the same amount of butter as is consumed. If there is not enough butter now to spread around all over Canada, there certainly will be very shortly when we get into the month of April and the cows are out on the grass.

REFRIGERATOR CARS

ON TRACK AT BORDEN BECAUSE OF SHORTAGE OF LOCOMOTIVES

On the orders of the day:

Mr. T. V. GRANT (Kings): Before the orders of the day are proceeded with I should like to call the attention of the Minister of Transport to a telegram which I received today from Prince Edward Island to the effect that 130 empty reefer cars are on track at Borden but cannot be moved because of a shortage of locomotives. I should like to know if the minister has received similar advice.

Hon. LIONEL CHEVRIER (Minister of Transport): I have not received a similar telegram but I shall be glad to take note of the hon. gentleman's question and see what can be done to assist in the matter.

INCOME TAX

FARMERS—NET WORTH PORTION OF RETURN

On the orders of the day:

Mr. C. C. MILLER (Portage la Prairie): Before the orders of the day are called I should like to direct a question to the Minister of National Revenue. In view of the protests of farm organizations and also of members of this house will the minister give consideration to issuing a directive cancelling the necessity of farmers completing the net worth portion of the income tax return?

Hon. J. J. McCANN (Minister of National Revenue): In reply to the hon. gentleman's question may I say that the matter is receiving consideration and a statement will be made within a few days.

APPLICATION OF WHEAT PARTICIPATION PAYMENTS AND REFUNDABLE PORTION TO ARREARS OF TAX

Mr. H. R. ARGUE (Wood Mountain): I should like to direct a question to the Minister of National Revenue, notice of which I have

sent him. Is it the intention of the government to withhold wheat participation payments from the farmers because of income tax liability?

Hon. J. J. McCANN (Minister of National Revenue): I acknowledge receipt of the hon. gentleman's question and in answer I may say that officers of the taxation division have written to farmers who are indebted to the crown for income tax purposes to get in touch with the wheat board and request that the wheat board withhold deductions from their participation certificates for their income tax indebtedness. No blanket authority has ever been sought to withhold payment of the participation certificates. It is entirely optional with the farmer who is indebted to the crown to give an order to the wheat board for that payment.

Mr. M. J. COLDWELL (Rosetown-Biggar): Will that be done for other people in connection with the refundable portion of the income tax which was paid by taxpayers several years ago?

Mr. McCANN: It has already been decided that the refundable portion of the income tax is to be used to offset income tax now due to the crown.

Mr. ANGUS MacINNIS (Vancouver East): I should like to direct a question to the Minister of National Revenue arising out of his answer given a moment ago. In view of the fact that the refundable portion of the income tax is to be used to offset arrears of income tax, will the Department of National Revenue make the necessary adjustments in interest, either reduce the interest on arrears from eight to two per cent or increase the interest on the refundable portion from two to eight per cent?

Mr. McCANN: That is not a matter within the jurisdiction of the officers of the crown; it is fixed by statute. When it is changed by statute in this house our administrative officers will be glad to carry it out.

VETERANS AFFAIRS

RECEPTION BY COMMITTEE OF DELEGATION FROM ALL VETERANS ASSOCIATIONS

On the orders of the day:

Hon. MILTON F. GREGG (Minister of Veterans Affairs): On behalf of the chairman of the select committee on veterans affairs I should like to report to the house that today, I think for the first time in the history of the house, that committee has had the pleasure

of receiving a delegation representing all veterans associations in Canada, including the Canadian Legion of the British empire service league and the National Council of Veterans Associations, which includes the Canadian Corps Association, the Sir Arthur Pearson Association of War Blinded, the Canadian Paraplegic Association, the Army, Navy and Air Force Veterans in Canada, the War Amputations of Canada, and the Canadian Pensioners' Association of the Great Wars. I should like to express our pleasure at having these representatives present here, some of whom are in wheel chairs in the gallery and others on the floor of the house beyond the bar of the house.

Mr. A. J. BROOKS (Royal): If I am in order, I should like to second what has been said by the minister and express the appreciation, I am sure, of all members of the opposition as well as those on the government side, at having these men present here today.

Mr. T. J. BENTLEY (Swift Current): Hon. members in this corner of the chamber are in entire agreement with what has been said by the minister and the hon. member for Royal.

HARBOUR COMMISSIONS

NEW WESTMINSTER—REFUNDING OF DEBENTURES, GUARANTEE OF LOANS AND REDEMPTION OF SECURITIES

Right Hon. J. L. ILSLEY (for the Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to provide for the refunding of certain debentures of the New Westminster harbour commission; the government guarantee of substituted securities therefor, and the making of loans out of the consolidated revenue fund to redeem securities that may be refunded.

Mr. FULTON: Mr. Speaker, before you leave the chair I should like to ask if the minister will be prepared to make a statement in the committee stage.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I could make a short statement.

The bill to be based on this resolution provides for the refunding of a debenture issue of the New Westminster harbour commission which matures on April 1, 1948, the total amount being $700,000. The coupon interest rate is 4¾ per cent, and the securities are payable at the option of the holder in United States or in Canadian dollars. I should like to get this resolution through and have the bill read the first time. I hope that any discussion will be held over until the bill is before the house.

Resolution reported, read the second time and concurred in. Mr. Mayhew thereupon moved for leave to introduce Bill No. 148, respecting the New Westminster harbour commissioners and to provide for the refunding of maturing obligations.

Motion agreed to and bill read the first time.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

Right Hon. J. L. ILSLEY (Minister of Justice) moved the second reading of Bill No. 136, to amend the Continuation of Transitional Measures Act, 1947.

Mr. BRACKEN: Are we not to have a statement from the minister?

Mr. ILSLEY: Mr. Speaker, the bill before the house, the second reading of which I am moving, consists of one section only, as hon. members will have noted. The present act, the Continuation of Transitional Measures Act, 1947, is being amended in such a way that it will expire not on the 31st day of March, 1948, but on the sixtieth day after parliament first meets during the year 1949 or on the 31st day of March, 1949, whichever date is the earlier. The proviso contained in the act is to be continued, namely:

Provided that, if at any time while this act is in force, addresses are presented to the Governor General by the Senate and House of Commons respectively, praying that this act should be continued in force for a further period, not in any case exceeding one year, from the time at which it would otherwise expire and the governor in council so orders, this act shall continue in force for that further period.

It is not my intention to make anything but a brief explanation of the bill, because it is self-explanatory, nor is it my intention to make any extended argument for its necessity, because it is generally recognized I think by members of the house that the government's decontrol policy has not reached the stage at which all controls can be abandoned now or at the end of the fiscal year.

The terms of the extension are not the same as the terms of the act which provided for expiration. The present act provided for its expiration at the end of December provided that parliament sat in either November or December and failed to make any provision for its continuation. The result of that was that we spent six or seven days, if I remember

correctly, in dealing with the act when we met in December last, and not to very much purpose because the act is up again now and two debates have been rendered necessary on the act within the space of two or three months. It is our hope that the present arrangement will appeal to members of the house and that instead of the act expiring on December 31 next if parliament meets in November or December next, it will be regarded as satisfactory if it expires at the end of sixty days after parliament meets in 1949, but in any event not later than March 31, 1949.

On Friday afternoon I placed on *Hansard* a list of the orders in council still extant. A large measure of progress was attained in the year 1947 in the revocation of orders in council and certain sections of orders in council which were appended to the act of last year, and I expect that in the months to come it will be possible to get rid of other orders in council and perhaps some sections of certain orders in council. Some orders in council now in force will manifestly remain in force for only a short time until legislation now before the house is approved by parliament.

I would hope that there would not be too much disposition on the part of the house to oppose this measure. When we get into committee of the whole the ministers who are acquainted with the existing orders in council which they are administering will be prepared to answer questions about them, which I submit is the proper stage at which to have those orders explained rather than at this stage. We are making progress, but it is manifestly impossible to contemplate the situation which would arise if the act itself were allowed to expire on March 31, 1948. Certain controls by common consent have to be extended beyond that time.

The other day the hon. member for Temiscouata (Mr. Pouliot) asked me some questions about reductions in the staffs administering these control orders. I have gathered together some figures, but I should not like to mar these brief remarks while you are in the chair, sir, by putting the figures on *Hansard*. I can give them to the committee when we are in committee.

Mr. JOHN BRACKEN (Leader of the Opposition): The minister has suggested that the details of our discussion be postponed until the committee stage is reached. I rise not to make any extended remarks but to state briefly our position with respect to this measure.

[Mr. Ilsley.]

This is a bill to amend the Continuation of Transitional Measures Act, 1947. As the minister has explained, the existing measure expires on March 31. The amendment before us would extend it for approximately a year in an abbreviated form. The existing act includes some fifty orders in council. While the amendment before us consists of but one section it provides for continuing in existence some twenty-seven orders in council, partly or wholly.

The principle of this measure, Mr. Speaker, has been before us on five different occasions. We have debated it more or less fully, sometimes very fully, sometimes not so fully, five different times since it was first introduced in December, 1945. The first National Emergency Transitional Powers Act was passed in December, 1945, to come into effect on January 1, 1946. The second act was to amend the first. It was passed in August, 1946, to continue to March 31, 1947. The third time it came before us was in the form of an address to His Excellency on March 18, 1947, to continue the measure in effect until the middle of May, 1947; and the fourth time was an act passed on the 14th of May, 1947 to further the extension of the measure until December 31, 1947. In December last year another address was made to His Excellency asking that the measure be continued until March 31 of this year. Now we have a bill to extend for another year the operation of the powers granted under the original act.

The measure has been debated so much that I think everybody knows where everybody else stands on the general principle of placing economic controls in the hands of the government at a time when essential parts of the control mechanism have been abandoned and at a time when even the government itself has no intention of restoring these parts of the original controls scheme. Nevertheless the government now seeks the continuance of powers contained in some twenty-seven of these orders in council. These powers, and others like them, it has had for over two years, and in our judgment there is very little to see by way of results from its use of these powers. Wage controls have gone; price controls have largely gone; the cost of living has had an unprecedented increase and inflation still continues on a widely increasing scale.

I had handed to me just a few moments ago the controls that still exist. They are relatively few in number, and are as follows: residential rents—with which continuation I think nearly everybody in this house agrees, though possibly in a modified form—sugar,

oils and fats, soap, primary iron and steel and non-ferrous metals. Since October 17 of last year a few controls have been reimposed, namely, those on butter, certain citrus fruits, carrots, cabbages, grapes and certain canned fruit juices and certain canned vegetables, and the government is reported to have in mind the imposition of certain controls on the price of meat. Until recent months there have been hundreds of these controls in effect. In substance these few are the ones remaining.

As I have said, the government now asks for the continuation not of the powers under fifty orders in council but of the powers under twenty-seven. With certain of these powers nearly everyone in the house is in agreement, namely, residential rental controls. To some others many are still opposed. Under these circumstances, in view of the fact that we have debated the principle of this measure and the details of it five times prior to this date, personally I do not see any purpose in re-debating it now for the sixth time. I suggest that we get this measure to the committee as soon as possible and there examine each of these twenty-seven orders that the government seeks to continue, and call upon each minister to justify, in so far as he can, the continuation of each of them.

Motion agreed to and bill read the second time.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Before Your Honour accepts the motion that Mr. Speaker leave the chair and the house go into committee of the whole on Bill No. 136, I should like to propose a motion of instruction to the committee. The procedure I wish to follow is identically the same as that which the Minister of Trade and Commerce (Mr. Howe) told us the other day it was his intention to follow with respect to Bill No. 135. He indicated at that time that after second reading of the bill had been passed he would move an instruction to the committee that they have power to do so and so with that bill. It is my intention at this identical stage to move as an instruction that the committee of the whole have power to carry out a certain procedure with respect to Bill No. 136 which is now before us. I do this, Mr. Speaker, under the authority of citation 407 of Beauchesne, third edition, which reads as follows:

> An instruction is a motion empowering a committee to do something which it could not otherwise do, or to direct it to do something which it might otherwise not do. It directs the order and course of the committee's proceedings and extends or restricts the order of reference according to the discretion of the house.

Citation 410 indicates when and where such a motion as I am about to make is in order. It reads:

> An instruction to a committee of the whole is a motion which ought to have the right of way on the question that the Speaker do leave the Chair.

I take it that it was on the authority of that citation that the Minister of Trade and Commerce outlined his proposed procedure the other day. It is on the same basis that I now rise, Mr. Speaker. I think it is only fair I should not go any farther without indicating the nature of the instruction which I wish to move. I shall move it at this time, seconded by my colleague, the hon. member for Mackenzie (Mr. Nicholson):

> That it be an instruction to the committee of the whole that they have power to amend Bill 136 by inserting therein the following section:
>
> 2. Section four of the said act is repealed and the following substituted therefor:
>
> "4. The governor in council may revoke in whole or in part any order or regulation continued in force by or made under this act, provided that notwithstanding anything in this section no provision of any order or regulation of the governor in council specified in the part of the schedule to this act entitled 'Wartime Prices and Trade Board' shall be revoked by the governor in council unless addresses have been presented to the governor general by the Senate and House of Commons praying that such provision be revoked."

The Minister of Justice will recognize immediately that this is a point we raised last year when we were in committee on the original bill which was then before us. At that time, since we had the bill before us, it was competent in committee of the whole to move an amendment to section 4. Section 4 was, as I say, at that time before the committee of the whole. This year however we have before us, as the Minister of Justice has just indicated, a very simple bill with only one section, and it could be argued that that bill will bring before the committee of the whole only section 7 of the original act. Therefore if in the committee of the whole I were to rise and attempt to move an amendment to section 4 of the original act, it is altogether likely I would be told that section 4 is not before us, and therefore I would not be able to move an amendment to it.

That is my reason for moving that the house now pass this instruction to the committee, giving the committee the authority to take up section 4 and amend it by inserting another section in the bill now before the house.

I draw to the attention of the minister the fact that last year when I proposed this matter I did so on April 17, suggesting a wording which I felt met my point. The minister, although he did not agree with my motion, treated it with respect and asked that the matter stand, and the next day he suggested an alternative wording which is to be found at page 2181 of *Hansard* of April 18, 1947. The amendment which the minister then said would meet my purpose was:

Provided that notwithstanding anything in this section, no provision of any order or regulation of the governor in council specified in the part of the schedule to this act entitled "Wartime Prices and Trade Board" shall be revoked by the governor in council unless addresses have been presented to the governor general by the Senate and the House of Commons praying that such provision be revoked.

I accordingly withdrew the amendment in the form in which I had worded it in the first place and moved an amendment in the form in which the Minister of Justice suggested it to me. Later the committee voted it down; but, for reasons which I shall take a moment to indicate, I feel that the amendment should now be put into the original act.

I wish to point out as I go along that the fact that that amendment was accepted by the chairman of the committee of the whole last year and voted on indicates that it is an amendment which it is competent for a private member to move. But let me now give my reason for reintroducing the amendment at this time. The principal reason is that in our view the government has been going too fast along the road of decontrol. To use the words of the present Minister of Finance in some of his letters, he is strewing too many casualties along the path of decontrol, and we in this group would like to make sure of the one thing which we have the power to try to make sure of, namely, that the wartime prices and trade board set-up will not be scuttled in a matter of a few weeks. We want to be sure it will be kept in existence at least for the full year during which this bill is to be on the statute book.

Last year, as I have indicated, the Minister of Justice treated my proposal with respect so far as the idea was concerned, but opposed it, stating in fact on April 17 that he felt that the government should have the right to get rid of these wartime prices and trade board sections of the schedule in less than the twelve months for which the bill was then being passed. I submit that the minister will have to admit now that he was wrong. Not only were those sections kept in effect for the full twelve months, but he is now before the house with a bill which will continue them for a further period. Despite the fact that the minister asks to have them continued for a further period, which can be the full year, the original act still has in it that section 4 which gives the governor in council power at any time to revoke orders in council such as those that keep the wartime prices and trade board in existence; and my fear is that the Minister of Finance, who is now the principal authority with regard to those orders in council, may go to his colleagues in the cabinet one of these days before long and suggest that the wartime prices and trade board be done away with. If he does that and a few weeks later everyone, including the government, realizes that there are certain controls that should be re-established, he will be in a position to say that he cannot do it because the authority for price control has been abolished.

I was not surprised on previous occasions when the Minister of Justice took amendments of this kind, and speeches of this kind, as expressions of confidence in the way in which the government has handled price control. It is only natural that he should take it that way, and I say to him without reservation that I am glad to express confidence in the way the government administered price control during the war when he was Minister of Finance. But we are not satisfied with the decontrol policy which the government has been following since the end of the war.

If my amendment carries, it does not do everything that I should like to do. It still leaves the government and the wartime prices and trade board with the power to scuttle some of the regulations. I would go farther if I could, but I cannot move an amendment that would call upon the government to carry out the price control powers given to it by parliament because that involves the expenditure of money. I am going as far as a private member can go in seeking to write into the statute a section which will ensure that the orders in council establishing the wartime prices and trade board will stay there at least until March 31, 1949, and that at least we shall have the wartime prices and trade board in existence to carry out any policy of price control which the government might yet be persuaded is necessary for the well-being of the people of the country.

I point out that if the motion I have now presented to the house carries, that is not the end of the story. For, as citations in Beauchesne, Bourinot and May indicate, this kind of instruction cannot be mandatory. It may be only permissive. This does not instruct the committee of necessity to write this extra clause into the bill. It merely gives the

committee the undoubted authority to do it, and since there is some doubt as to whether or not the committee would otherwise have this power under the bill, with section 4 of the original act not being before the committee, I suggest that the way to make sure that we can consider the matter when we are in committee is to accept and pass this motion.

I was really grateful to the Minister of Justice the other day for what I thought was the very fair way in which he dealt with the matter. He expressed his desire that hon. members have a complete and fair opportunity to move the kind of amendments they might wish to move. I know he may not agree with some of those we propose. He might perchance accept this one this year, but undoubtedly he was most fair, and I hope the house will see fit now to pass this motion I have moved.

If the house does pass it, that merely gives the committee power to consider this amendment. That means that when we get into committee of the whole at some proper stage, on the basis of the authority given the committee, I shall rise and move that a section 2 be inserted in the present bill in the words that appear in the motion I have just made.

That, I may say, explains the set-up of my motion. The bill before us will have only one section which amends section 7 of the original act. My amendment would call for the insertion of a section 2 which would amend section 4 of the original act. I point out again that this amends section 4 in the time-honoured way, by deleting the existing section and substituting another section made up of the wording already there, with no change, plus the addition of the proviso I sought to move last year.

In case the Minister of Justice has not had time as yet to compare the wording of these various proposals I assure him that the amendment I have now moved is composed of the original section 4, exactly as it stood, plus the proviso I sought to add last year, in exactly the words suggested to me by the minister on April 18, 1947. I repeat that this is not very far to go. It is not nearly the distance I and the members of this group would like to go. If it were at all possible we would call upon this house to instruct the government to use the powers provided by parliament to put price control back into effect and bring down the cost of living. That is denied us. Already we have moved an amendment to the address expressing this view, which this house has turned down, I think wrongly. But at least the government could go this far; and I should hope that at this stage the Minister of Justice would agree to my motion, and let it pass as an instruction to the committee. Then when we get into committee I shall move it at the proper stage, in the hope that it will pass, so that the country may have the assurance that the machinery of the wartime prices and trade board will remain in operation for a full year, or until parliament may decide to do away with it. That proviso, of course, is maintained at all times: no one would want to supersede that right. But if perchance this is written into the statute and the government and the board itself and its chairman all know that the life of the board is ensured for a period of time, I should hope they might be a little more aggressive in their job in trying to hold down the cost of living in this country. At the moment, however, all I have placed before the house is a procedural motion which I hope the government and the house will be prepared to accept.

Mr. SMITH (Calgary West): If I may ask a question, when the hon. gentleman quoted from the Minister of Justice in April of last year, was that at the same stage of some proceeding?

Mr. KNOWLES: The answer to that question is no. Last year we had before us Bill No. 104, which has since become chapter 16 of the 1947 statutes. When we were in committee on that bill last year in due course we reached section 4; and it was in order, without any doubt or question, since we were dealing with section 4, for any private member in committee of the whole to move an amendment. This year, however, section 4 of the original bill will not be before us, because all we have is Bill No. 136, which opens up only section 7 of the original bill. Since there might be some doubt as to whether the committee of the whole could deal with a section not brought before the committee, I am moving this instruction, that the committee of the whole have power to deal with section 4 of the original bill in the manner I have proposed.

Mr. W. GARFIELD CASE (Grey North): From what the Minister of Justice (Mr. Ilsley) said the other day in explanation of the resolution I understood that the committee of the whole would have an opportunity to discuss any section of the act. With respect to the amendment, if we are to give any direction to the committee of the whole I think enough leeway should be given to permit us to consider the act in part or in whole. I am interested in one particular section. We have been told by the Minister of Finance (Mr. Abbott) that the law officers of the crown discovered a provision in the act which even

the administration did not know existed, which they said would permit the government to carry out what we have been inclined to call the austerity program. I do not think the government itself expected that the measure presented and passed last session would delegate such wide powers to the administration. For that reason I think when the committee of the whole is considering this bill clause by clause, or any part of it, we should have the right to seek out and deprive the governor in council of the right to deal arbitrarily with any situation with which parliament itself should deal.

We have heard a good deal about the legality of the taxes which have been imposed, and so on. By the admission of the Minister of Finance himself the administration must find itself in an embarrassing situation today, when it is asking parliament to condone something which was done on November 17 and which it had or had not legal authority to do. So I think when the committee is considering this bill, if any direction is to be given we should be privileged to review the act and suggest amendments thereto, so we may feel more secure and may know that we are returning to at least some semblance of democratic government.

Right Hon. J. L. ILSLEY (Minister of Justice): I presume I may now speak to the motion of the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. gentleman gave no notice; therefore I have been able to give it consideration only during the last few minutes. I am inclined to think no harm would be done by giving this power to the committee. What we should do in committee is another matter. Last year I took the view first, I think, that I was indifferent to a similar motion, because I regarded it as an empty gesture; and I think it is not much more than an empty gesture at the present time. The preservation of the regulations of the wartime prices and trade board, exactly as they are contained in the schedule, gives the government full power to revoke individual controls under those regulations at any time they wish. For instance, they could remove any particular commodity from the operation of the regulations. It was for that reason last year that I thought it did not make any difference whether or not a similar provision passed. Finally, however, I stated that as a member of the committee I would vote against it. While expressing indifference as to whether it passed or not, I said I would vote against it, and it was voted down because it seemed to do something that actually it did not do.

[Mr. Case.]

The hon. member thinks that if this provision is added to the bill perhaps it will exercise some moral pressure upon the government to keep price controls on a little longer than they otherwise would. But that is the most that can be said for this resolution. In practice it may accomplish absolutely nothing. At the same time I do not think I can oppose the motion. I think the committee ought to have the power to make this amendment to the bill if it wishes. But what position I will take and what position the government will take on the amendment when the hon. member proposes it in committee is another matter.

Those who are more directly connected with the administration of this measure are giving it some attention at the present time. Perhaps there is some reason why it is important now that we do not surround the revocation of this order and the individual provisions of the order with these restrictions. Perhaps there is some reason why we should not now do that. It does seem somewhat illogical that the committee a year ago would vote against a provision like this.

Mr. KNOWLES: Perhaps the committee was then illogical.

Mr. ILSLEY: I do not know that they were. I think that the logical thing is to oppose this, because it is not of any practical value. If I am correctly informed it is not of practical value because within the framework of these orders, no matter how long they continue, the government has power to make orders under those orders in council for complete decontrol. That is the advice I got last year, and that is the reason I said last year it did not make any difference to me whether the order went through or not. I thought however that it would give a false impression, that it was an empty gesture—and I am afraid the same considerations would apply this year.

At the same time I do not know why on this short notice I should oppose his motion, because all it does is to give the committee an opportunity a little later, after we have given the proposal further consideration, to decide what we ought to do with it. And I may add that the notice I received was unfortunately short; my hon. friend might have given me notice of it this morning.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I am opposed to the motion, for a different reason—and what I shall say perhaps will suit the mover of the motion. My objection to it is that while it gives section 4 to the committee—and I would have no objection to that at all—if the committee is

to take section 4 into consideration it should consider the matter without any limitation as to procedure, as is here indicated.

If we pass this as a directive to the committee, it means that the House of Commons directs the committee that it has the right to amend as specified, and that only. If we are in committee of the whole, wide open, on section 4, then of course my hon. friend will agree that he does not need this motion. His motion will apply only in the event of the committee not being open to deal with it. If we are to deal with section 4 it is my view that the committee should be free to deal with it in any way it sees fit.

My suggestion to the hon. member is this. I am quite content to have section 4 dealt with. Why would he not simply issue a directive to the committee empowering it to deal with section 4, so that we would not have to bring in this proviso two or three times? Perhaps someone in the committee would find a better way of putting an end to some of the operations of the board. I make the suggestion that perhaps this is a better way of handling the matter.

Mr. ILSLEY: With the consent of the house, may I ask the hon. member a question? What are his reasons for thinking that the committee would not have the power to propose this amendment in the absence of such a direction from the House of Commons?

Mr. KNOWLES: I suppose the short answer is that I have had six years of experience in this House of Commons. The other answer is the reference that the Minister of Justice unfortunately made the other day to a passage in May, which he said was not very helpful. I thought I had answered him by finding a helpful passage in May, but it so happens that the unhelpful passage is there too.

I believe this is a debatable point. There is however a helpful passage in Beauchesne which speaks about doubtful cases; and in doubtful cases the suggestion is that the thing to do is to get authority from the house. It is because there is doubt that the committee would have power to deal with the section brought before it that I felt the motion should be passed.

An hon. member to my right only a moment ago quoted the minister as saying on Friday that, in his view, when we got into committee all sections of the bill should be open. I doubt if that is what the minister said. As I recall it, the minister said we should have the right to discuss all the orders in council in the schedule. He answered the hon. member for Peace River (Mr. Low) by saying that we would be able to call the ministers, one by one, and ask each to defend the continuance of these orders in council. But having all the orders before us is one thing; having all the sections of the original act is another. And it is because section 4 of the original act is not before us that I was prompted to follow this procedure. I believe the minister's attitude in the matter has been fair.

Mr. ILSLEY: I can speak again only with the consent of the house. What I intended to say the other day was that I thought amendments to the various provisions of the orders in council would be in order. When I said that I meant of course that if they add to the expenditure, or are out of order for some other reason, those points of order may be taken by hon. members on this side of the house. There is however a passage in May to the effect that when an act is continued the original act cannot be amended in the continuing act. That is the unhelpful position I was referring to. In this instance, the bill we are introducing is an amending one. It is not an act which continues the original act.

Mr. KNOWLES: But that is all it does.

Mr. ILSLEY: Well, it amends the original act. And I think it does more than that. For instance there is a proviso in the amending section, and I was not able to see why another proviso in the amending section, or a separate section making some change in the orders validated last year or continued last year, would not be perfectly in order, and I am willing to take that position in the house.

It has been suggested by the officials that perhaps this increases the expenditure. I would not like to take that position in the present instance. In fairness to the committee I believe they will have to be free to propose amendments if they wish.

There is something in what was said by the hon. member for Calgary West, that if we specify this amendment and say that the committee has power to propose it, then that would appear to be based on the theory that that is the only amendment they have power to propose.

Mr. LOW: That is exactly what it does. I had the same feeling as the hon. member for Calgary West. My objection to the amendment as it is set out now is that it limits the part of section 4 that could be amended by the committee. If the hon. member for Winnipeg North Centre will rearrange his

amendment and make it possible for us to propose in committee any amendment we want to section 4, we will support it.

Mr. ZAPLITNY: I think it should be made clear that the purpose of the amendment is to have the government come back to parliament for authority before repealing any order in council dealing with the wartime prices and trade board. As it now stands the government may do away with all the orders in council that come under this legislation without coming back to parliament for further authority. We are interested in that part which deals with price control, as was made quite clear by the hon. member who moved the amendment. I do not know why anyone should object to giving this parliament the right to discuss a matter of such importance particularly in view of what has happened in the last few months.

Mr. SMITH (Calgary West): I am agreeing with you.

Mr. ZAPLITNY: The contention is made that the passage of this amendment would limit the committee to the amendment of section 4 in only one particular. I cannot see the logic of that. If the committee already has power to amend all the sections of the act, as is contended by some, then the giving of instructions or extra power to the committee would not limit the power which the committee already possesses.

It may be argued that if the committee has the power already we do not need to give them any power. But by giving this extra power, by giving these instructions, we are not taking away any power which the committee already has under the rules; therefore I think the amendment should carry so that this house may have the opportunity of discussing the setting up or abolition of a board which has to do with price control. I am not going to go into the question of price control at this time, because it would be out of order, but I do submit that by adopting this motion we will be giving parliament an opportunity which it otherwise may not have to discuss an important question.

Mr. MITCHELL: Could we not do that when we are discussing the orders in council?

Mr. KNOWLES: When we are dealing with the orders in council we are dealing only with their substance and their content. The power of revoking orders in council is not set out in the schedule or in the orders, it is set out in section 4 of the original act which is not before us. I feel strongly that the passing of this motion would not deny to the committee other powers which it might have. Hon. members may contend that it has this or other powers, but I want to be dead sure that the committee has the power to make this specific amendment.

Mr. REID: It seems to me that it would be out of order before the bill goes to second reading to give a restrictive direction to the committee. This amendment would restrict it to section 4 and I claim that that is entirely out of order. Surely to tell members of the committee of the whole after the bill passes second reading that we are to be restricted to section 4 is out of order.

Mr. MacINNIS: Section 4 deals with the power of the governor in council to move in revoking in whole or in part orders and regulations. I think it was on Friday that I made the statement that when an amending bill was before the house all sections of the act were open to amendment. This is an amending bill. It is not necessarily a bill for continuance; it amends section 7 in certain respects. That being so, in my opinion the whole act is open for debate and for amendment.

If my contention is correct the motion made by the hon. member for Winnipeg North Centre does not restrict the committee. As a matter of fact it brings section 4 into the debate. Consequently I do not think there is anything restrictive about it. I should like to thank the minister for his fair attitude in this matter. He is reserving the right to pass it in committee if he thinks it is desirable and nothing is lost.

Mr. KNOWLES: Speaking to the point of order raised by the hon. member for New Westminster, this sort of procedure is not followed very often and it is not surprising that it seems to be perplexing. The hon. member objected to a motion that would give a direction to the committee, indicating that it was a form of dictation. I would refer to citation 409 of Beauchesne's third edition, which reads:

> An instruction which is generally made when a bill is committed, is not mandatory, and it is therefore customary to state explicitly in the motion that the committee "have power" to make the provision required. The intention is to give a committee power to do a certain thing if they think proper, not to command them to do it.

If this motion is passed it does not command the committee to do this at all.

Mr. McILRAITH: Read the rest of it.

Mr. KNOWLES: It does not prevent the committee from doing everything which it has the power to do. The amendment merely

makes sure that this one particular right is protected. As I read the rules, it would be in order if my motion is passed for other hon. members to move other instructions protecting other rights. I submit to the hon. member for New Westminster that he might reconsider his point. He said that this was something that was being done before second reading, but second reading has already been had and I submit that my motion is perfectly in order.

Mr. SMITH (Calgary West): May I finish reading 409, which continues:

The right theory is not that the instruction should be given whilst the bill is still in the possession of the house, but rather after it has come in the possession of the committee.

Mr. KNOWLES: Go on and read the rest of it and also 410 and 411.

The house divided on the motion (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Archibald
Argue
Benidickson
Bentley
Bowerman
Bryce
Burton
Campbell
Castleden
Coldwell
Croll
Gillis
Irvine
Jaenicke
Knight
Knowles
McCuaig
McCullough (Assiniboia)
MacInnis
McKay
Matthews (Kootenay East)
Maybank
Michaud
Moore
Nicholson
Probe
Strum, Mrs.
Thatcher
Townley-Smith
Wright
Zaplitny—31.

NAYS

Messrs:

Adamson
Baker
Barrett
Belzile
Bertrand (Prescott)
Bertrand (Terrebonne)
Blackmore
Blair
Bonnier
Boucher
Bracken
Bradette
Bradshaw
Brooks
Brunelle
Case
Casselman
Charlton
Chevrier
Church
Claxton
Cloutier
Cournoyer
Cruickshank
Daniel
Dechene
Dickey
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Fair
Ferguson
Fournier (Hull)
Fulton
Gagnon
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Comox-Alberni)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Graydon
Gregg
Hansell
Harkness
Hazen
Hlynka
Hodgson
Isnor
Jaques
Jean
Johnston
Jutras
Lafontaine
Langlois
Lapointe
Leger
Lennard
Lesage
Little
Low
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
MacKinnon
MacLean
McLure
MacNicol
Maloney
Manross
Marier
Martin
Matthews (Brandon)
Mayhew
Menary
Merritt
Miller
Mitchell
Mutch
Nixon
Parent
Pearkes
Quelch
Raymond (Wright)
Reid
Richard (Gloucester)
Rinfret
Robinson (Bruce)
Ross (Souris)
Shaw
Sinclair
Sinnott
Skey
Smith (Calgary West)
Stanfield
Stuart (Charlotte)
Stokes
Timmins
Tremblay
Tucker
Tustin
Viau
Warren
Webb
Weir
White (Hastings-Peterborough)
White (Middlesex East)
Whitman
Winkler
Winters—116.

Mr. MARQUIS: I was paired with the hon. member for Charlevoix-Saguenay (Mr. Dorion). Had I voted, I would have voted against the motion.

Mr. HERRIDGE: I was paired with the hon. member for Chambly-Rouville (Mr. Pinard). Had I voted, I would have voted for the motion.

Mr. SMITH (Calgary West): I wish to move an amendment to the motion, which will read as follows:

That it be an instruction to the committee of the whole to consider amendments to section 4 of the act, irrespective of whether or not this power falls within the general powers of the committee.

Mr. SPEAKER: Order. The hon. member cannot move an amendment to the motion, because there is no motion before the chair.

Mr. Ilsley moves that I do now leave the chair for the house to resolve itself into committee of the whole to consider the said bill. Is it the pleasure of the house to adopt the motion?

Motion agreed to, and the house went into committee, Mr. Golding in the chair.

On section 1—Duration of act.

Mr. CRUICKSHANK: Mr. Chairman, I should like to take a moment to say a word on behalf of the majority of the members of the veterans affairs committee. We express our resentment at being called from a meeting of the blind and totally disabled to vote on such a trivial matter.

Mr. COLDWELL: That is what you think.

Mr. MacINNIS: Wait until you meet the people of the Fraser Valley.

Mr. KNOWLES: Mr. Chairman, may I ask the Minister of Justice, who is piloting this measure through the house, what arrangement he would suggest to facilitate discussion. He knows that there are twenty-seven orders in council before us. It seems to me that if it is just left to individual members to pop up to speak on the particular order in which they are interested we shall travel all over the place. I suggest that it might be a good idea for him to indicate the order and suggest that the various ministers responsible make a brief statement, which would save time in the long run.

Mr. GILLIS: Mr. Chairman, I want it understood that, so far as I am concerned, the hon. member for Winnipeg North Centre is not speaking for me on this matter. I do not consider it my business, or the business of this group, to facilitate the particular matter that is now before the committee. It contains resolutions which are being carried forward which are indicated by just a number. Very few hon. members understand what is behind these resolutions and what the implications are. If the government was in a hurry on this particular matter it should have brought it in sooner. So far as I am concerned, this is one of the most important matters that we have to discuss, and during the discussion in committee I am going to get a thorough explanation of every resolution that is being carried forward under the Continuation of Transitional Measures Act, 1947.

Mr. KNOWLES: That is what I am proposing.

Mr. GILLIS: No; the hon. member proposed that the minister suggest some way to overcome our popping up and delaying the matter and so on. I do not delay the house very often except on something that I feel pretty keenly about. I am not particularly anxious as to whether these powers are carried forward or not, because in the final analysis I do not think it means anything to the Canadian people. Whether we vote for it or not, it will be carried forward and administered. All the controls which protect the ordinary people of this country in any way, shape or form are gone now.

[Mr. Speaker.]

The DEPUTY CHAIRMAN: Order. In order to have the situation clarified so far as the chair is concerned, we ought to have some understanding now as to what is to be discussed, because the only thing that is before the committee is section 1. If by agreement the committee wishes to discuss something else, the orders in council, or the bill itself on which the amendment is made, we should get consent to do so; otherwise all that is before the chair is section 1 of the bill.

Mr. ILSLEY: Mr. Chairman, all that is before the committee is section 1; but it has been suggested that someone give the committee some guidance as to the order in which they will carry on the discussion on section 1. I am quite willing to do that if the committee will be guided by my suggestions. I suggest that the orders administered by ministers who are here today be discussed first, with the exception of some orders that are not very difficult. I might say a few words about those.

I hope that once we finish the discussion on any particular order we shall not revert to it. I express that merely as a hope. There is nothing in the rules to prevent our going back to it but I hope we do not do so. Might I mention the first two items at the beginning, the Department of Finance? Let us complete the discussion on these two items first. The Minister of Finance is not here today but the parliamentary assistant is. However I do not think the orders present any difficulty at all. One is an order exempting from customs duties coke made from coal for certain purposes, and the other is the exemption of oil-drilling machinery from customs duties. Those are two orders in council which have been carried along for some years and which will be dropped when they are dealt with in the budget. Budgets in recent years have not been making many tariff changes, but these items will have to be dealt with one of these days in the budget. They are a sort of remnant of some tariff orders in council of which there was a considerable number at one time. They have all been revoked except these two. I suggest that they would not require very much discussion, and such discussion as there might be could take place now.

Mr. GILLIS: That is exactly the point to which I object. I am not so much concerned about the orders which are being carried forward as I am about those which have been revoked. If the procedure now suggested by

the minister is gone on with, it means that we shall take the few orders which still remain; and, reading those orders over, as far as I am concerned, I suggest that they do not mean very much. I am afraid that some of the orders which have been revoked do mean something, and I want an explanation of them before we proceed to deal with those which remain. For my part, you could wipe the whole thing out tomorrow and I do not think it would change anything, because all the orders which were beneficial to the people are gone, and that is clearly reflected in the spiral of inflation.

For example, I would ask the minister for an explanation of P.C. 20/6173, 1945, civil service war service preference, certain persons excluded, and so on. That order in council established a preference for certain service personnel with respect to employment in the civil service. While the order remained, that preference remained, and unless I am sure that the preference has been guaranteed by legislation I am not prepared to say that the government were justified in revoking it. The same thing applies to the next order and several others following that. They are revoked. If we accept this as it is now we may be taking away from service personnel the preference which they had under that order in council and it may not have been guaranteed them by legislation. I should like to have an explanation of those particular orders.

Mr. ILSLEY: Is the hon. gentleman talking about those under the heading "civil service commission" in the table of contents?

Mr. GILLIS: That is right.

Mr. ILSLEY: Those orders in council were embodied in legislation, or legislation took the place of them. Legislation passed last year substituted a statutory preference for the preference established by order in council. Last year there was an amendment to the Civil Service Act dealing with the whole matter and providing for the preference. That took the place of these orders in council.

Mr. GILLIS: The reason I am concerned about it is that right now there is a great deal of difficulty in the matter of employment for veterans in the civil service commission, and the question where their preferences begin and end. If the minister assures me that the revocation of these orders in council has not taken away any of the preference they had, I am quite satisfied. I want to be sure that the preference remains, though there is still much that is left to be desired.

Mr. ILSLEY: It was all dealt with last session. It is section 29 of the Civil Service Act. The matter was debated fully at that time. I know there is and always has been difficulty about the preference to veterans. That is not a new thing. When I first came into the house back in the twenties there was a continual debate as to whether the proper persons were being given preference, and so on, and it is a difficult matter to arrange satisfactorily, but the whole matter was discussed last year and embodied in legislation.

Mr. GILLIS: I agree with the minister that there have been difficulties in the past but I do not think there should be. The veterans were guaranteed certain preferences because of certain services and they should receive them. What I have in mind is this. A boy went overseas when he was twenty-two. He came back and wrote his civil service examination for a certain job and qualified from the academic point of view, but he is told by the civil service commission that, while he has qualified in that respect, he has not the experience. When will he acquire the experience, and how? I am not going to argue that with the minister, but I want to be sure that, by revoking these orders, we have not disturbed any of the anaemic preferences which the veterans now have in the matter of employment.

Mr. ILSLEY: I am confident that they are not being disturbed. The matter was dealt with last year. Might we now deal with the two finance orders to which I have referred? Is it necessary to have a discussion on those?

Mr. TIMMINS: Could the minister go back to *Hansard* where he dealt with the matter and give us some assurance that everything the veteran had before in the way of preference has been preserved?

Mr. ILSLEY: That is not an issue here. These orders in council have already been revoked and legislation has taken their place. It is of no use whatever for us to discuss something that is not before the committee. The matter was before the house last session; the time for discussion was then, and I have no doubt it took place. Certainly my understanding was that none of the rights conferred by these orders in council was omitted when the legislation came before the house. But that is in the past; that is not now before the committee.

Mr. TIMMINS: In other words, the act which brought it into being took place almost simultaneously with the dropping of the orders last year.

Mr. ILSLEY: Yes.

Mr. TIMMINS: I think that is right.

Mr. ILSLEY: Yes, it is right. Perhaps we could go on, if there is to be no discussion on the two small items to which I have referred, and deal with the Department of Labour items.

Mr. GILLIS: Would the minister give an explanation with regard to item 8042, the one dealing with coke made from coal. What are the implications of that?

Mr. ILSLEY: The order in council is set out in the office consolidation of last year. Certain coke is let in free of duty. It is found on page 15 of the office consolidation. There are a number of recitals, but it all comes to this:

> His Excellency in Council . . . is pleased to order and it is hereby ordered that, effective on and after September 15, 1942, imports of coke, made from coal, when imported to be used as a fuel for cooking or baking foods or for heating buildings or water be exempt from war exchange tax and accorded the tariff treatment hereunder indicated.

And it is made free, free, free. The effect of the order is that coke made from coal, when imported to be used as a fuel for cooking or baking foods, or heating buildings or water, is to be free of duty.

Mr. GILLIS: I know we cannot do very much about the matter, but certainly we do not agree with that. You are importing United States coal, processing it into coke, and admitting it into this country free, while we believe our own domestic coal should be used for that purpose. The money you are losing under the tariff could be very well invested in coking plants in certain parts of the country where we have a pretty bad employment problem.

Mr. MacNICOL: I want to ask a question in regard to P.C. 394 of January 20, 1942, relating to anthracite coal. Does this mean that anthracite coal is now coming in free, or will continue to come in free?

Mr. ILSLEY: That order in council has been revoked. It permitted the importation of anthracite free of duty in certain parts of Canada only. I am handicapped, because the Minister of Finance is not present; but I understand that as of some recent date, I think as a result of the Geneva trade agreements, anthracite coal is permitted free entry.

Mr. MacNICOL: Previously there was a duty of fifty cents a ton, was there not?

Mr. ILSLEY: Yes.

Mr. MacNICOL: Is that on or off?

Mr. ILSLEY: It is off.

Mr. SMITH (Calgary West): P.C. 8042, as I understand it, did not deal with the importation of coking coal, from which coke was made, but with the importation of coke itself which had been manufactured in the United States. I believe it was the import of the coke for these specific duties that was dealt with.

Mr. ILSLEY: Yes, it makes coke free when imported for these specific purposes.

Mr. SMITH (Calgary West): But not the coal from which coke is made.

Mr. ILSLEY: No; that is provided for otherwise.

Mr. SMITH (Calgary West): That was the question asked by the hon. member for Cape Breton South.

Mr. ILSLEY: I understood that he was talking about anthracite coal, from which you do not make coke.

Mr. MITCHELL: I have drawn up a review of the situation with regard to the Japanese, which I thought might save a good deal of time in answering questions; it will take only about five minutes.

I wish, at this time, to outline the reasons which led the government to ask for the continuation for another year of the orders providing for control over movement of persons of the Japanese race in Canada.

The evacuation of Japanese residents from the coastal defence area in British Columbia was carried out in the early part of 1942 as a defence measure following the declaration of war with Japan. There was general agreement at the time as to the advisability and necessity of this measure.

When, in August, 1944, the Prime Minister made a statement of this government's policy to encourage the relocation across Canada of the Japanese who had been moved out of the coastal area of British Columbia, all parties in this house were in support of this policy as being in the national interest and in the interests of the Japanese themselves. In a statement on the Japanese problem in January, 1947, the Prime Minister said that the government would deal fairly with the claims of Japanese who had claimed that their property in the coastal area had been disposed of by the custodian of enemy property at less than a fair price. I believe hon. members will agree that the policy of relocation has been carried out in a reasonable, fair and humane manner with very gratifying results to date. Moreover, a commission has been established to deal with property claims of Japanese.

In January, 1942, out of a total of 22,837 persons of the Japanese race in Canada, 21,975, or 96·2 per cent, were resident in

British Columbia. These were chiefly concentrated in the coastal area in or adjacent to Vancouver. Only 664 persons, or 2·6 per cent, were resident in the prairie provinces and 159 persons, or ·7 per cent, resident in eastern Canada. Thirty-nine persons were resident in the Yukon and Northwest Territories. As a result of the relocation program carried out by the Department of Labour, the distribution of persons of the Japanese race in Canada, as of February 1, 1948, was as follows:

In British Columbia, there are 6,291 persons, or 30·3 per cent, of the total 20,788 persons of the Japanese race in Canada. This number are resident in widely scattered areas in the interior of British Columbia. In the prairie provinces there are 5,684 persons, or 27·3 per cent, of the total Japanese population. In eastern Canada there are 8,779 persons, or 42·2 per cent. There are thirty-four persons of the Japanese race in the Yukon and Northwest Territories. In addition, a total of 4,067 Japanese have been repatriated to Japan on a voluntary basis.

As will be noted from the above figures, the relocation program has provided a practical solution of the Japanese problem in British Columbia both from a national point of view as for the Japanese themselves. The Japanese who have relocated are in self-supporting employment in a wide range of occupations. They have been well received and are well regarded in the communities in which they have re-established themselves. The progress made reflects great credit on the Japanese themselves.

Of all the persons of the Japanese race who were moved in 1942 into the interior housing centres operated by the Department of Labour in the interior of British Columbia, there remains today only a group of between 500 and 600 persons residing at New Denver, British Columbia, who, because of age or infirmity, are incapable of employment. An agreement has been completed with the government of British Columbia for the province to take over the responsibilities of administration of welfare of this group at the end of the current fiscal year and a sharing of welfare and administrative costs. At the end of that time the financial responsibility of the dominion government will terminate. This agreement has been approved by order in council P.C. 958 of March 6, 1948.

Hon. members will recall that, at the time of the evacuation of the Japanese from the coastal area, a group of some three thousand moved into the sugar beet areas of southern Alberta under an agreement with the province of Alberta, which included a provision that these Japanese were to be regarded as temporary residents of the province during the war period and would be removed at the termination of the war if the province so requested. The dominion also assumed certain financial responsibilities with respect to costs of maintenance and education of these Japanese. I am glad to be able to report that agreement has been reached with the province of Alberta in settlement of the obligations of the dominion under this agreement. By the new agreement the Japanese in the province are accorded full residence rights in the province from the first of April of this year. The dominion and the province will share equally for the next two years costs of maintenance and educational costs which have heretofore been the responsibility of the dominion, and at the end of the two-year period the dominion responsibilities will be at an end. This agreement has been approved by order in council P.C. 589 of February 17, 1948.

At the present time the only restrictions covering the movement of Japanese in Canada are those contained in an order made by the Minister of Labour under the provisions of order in council P.C. 946 of February 5, 1943, which prohibit persons of the Japanese race from entering British Columbia or entering or residing in the coastal area of British Columbia; that is to say, the area in British Columbia lying west of the Cascades mountains, except under permit obtained from the Royal Canadian Mounted Police acting on behalf of the minister. While this order, P.C. 946, originally gave the Minister of Labour wide authority over the movement and placement of persons of the Japanese race in Canada, by amending order in council P.C. 804 of March 2, 1948, this authority is now limited to the authority to make orders and regulations making entry into British Columbia or entry or residence in the coastal area of British Columbia subject to permit by or on behalf of the minister.

Moreover the amending order also provides that P.C. 946 is revoked effective April 1, 1949. Therefore, while the bill now before the house provides for the extension of the life of P.C. 946, as amended, for another year, there can be no further extension of this order beyond April 1, 1949, in any event.

The government is of the opinion that the control over movement of Japanese into British Columbia from other parts of Canada and into the coastal area from elsewhere in British Columbia should be retained for another year to afford additional time to ensure stability of resettlement elsewhere in Canada. While my

information is that the very great majority of persons of the Japanese race have no desire to return to the coastal area of British Columbia, nevertheless the precipitate return of even a limited number at this time would possibly resurrect racial issues and animosities which have existed over many years but which will, I firmly believe, fully disappear within a very few years. The immediate abandonment of all control measures is bound, in my opinion, to have an unsettling effect on a number of Japanese, particularly perhaps the older age groups who are still in the process of re-orienting and re-establishing themselves in other parts of Canada. While personally therefore, I should be very happy to drop all controls at the present time, I believe that it is in the national interest and in the interest of all persons of the Japanese race in Canada that present controls over entry into British Columbia and the coastal area thereof be continued for the current year.

The necessity or advisability of retaining these limited restrictions over movement is a matter of judgment and opinion. I submit, however, that in this the house should be guided by the judgment of those who have had the responsibility for administering the relocation program. The majority of members of this house have, in the main, supported the objective of the relocation program. I do not know how the relocation and placement program could have been carried out with any measure of success without the retention of controls over movement. Had these not been continued in effect, I am satisfied that today well over fifty per cent of the Japanese population in Canada would be back in the coastal area of British Columbia.

I say that time and the success of the relocation program carried out by this government have proven that our judgment in this matter has been right.

If I may say so, even the majority of Japanese themselves are, I believe, now of the opinion that the relocation program has been in their own interests, and I quote for the information of the house, in support of this view, an editorial appearing under date of December 20, 1947, in the Japanese-Canadian newspaper *The New Canadian* which has a very wide circulation among Japanese in Canada:

> If a poll were taken among the Japanese Canadians across the country asking the question "Are you glad that the evacuation took place?" there is a strong possibility that the majority of them would answer in the affirmative.
>
> The reason for this answer is obvious wherever Japanese Canadians have scattered. Despite the losses sustained at the time of evacuation, many have been able to recuperate, and in the case of Niseis whose evacuation losses were relatively light, the balance sheet shows a decided gain.
>
> The widespread bitterness at being forced out of their original homes has given place to more positive outlooks, and the struggles for readjustment in new places east of the Rockies are beginning to bear fruit.
>
> But apart from material consideration, there has been definite improvement in other directions.
>
> The geographic and economic horizons of the Japanese Canadians have been extended. Niseis are now bringing up their children in an environment different from the Pacific coast, in an atmosphere relatively free of racial animosity . . .
>
> The evacuation experience has also given a deeper understanding to Japanese Canadians, and perhaps ironically, a deeper appreciation for democracy.
>
> While *The New Canadian* has attacked repeatedly during the year the restrictions and injustices suffered by Japanese Canadians, the balance sheet at the end of 1947 shows many gains which should not be overlooked.

I submit, therefore, that, inasmuch as our judgment has proven sound in this matter up to the present, our judgment as to the advisability of retaining a limited measure of control for another year should receive the support of this house.

Mr. MacNICOL: Did the orders in council apply to Japanese born in Canada as well as to those born in Japan?

Mr. MITCHELL: Yes.

Mr. MacNICOL: From my observations in Ontario I can say that the Japanese who were moved here have been well received and, so far as I can ascertain, they are highly respected.

Mr. GILLIS: I notice in the office consolidation of the orders in council to which the minister referred that he omitted everything between pages 70 and 110. The minister dealt only with the Japanese question. Why has he not mentioned orders in council with regard to labour—and I have in mind P.C. 1003, as amended up to January 30, 1947—and other agreements with the provinces whereby labour relations boards operated under some regulations from the federal government. I notice that these orders are inoperative, so far as I can understand. The whole matter is back in the hands of the provinces, and we are still carrying on this federal legislation. What is the purpose of it?

Mr. MITCHELL: As my hon. friend knows, with the exception of P.C. 1003, they were all struck out, at the request of the provinces. That was done with the abolition of wage

controls and the assumption by the provinces of their jurisdiction in the matter. They have control over property and civil rights, which includes labour. If I remember correctly, that jurisdiction was returned to them about the middle of April or the beginning of May of last year.

Mr. THATCHER: Before discussion closes on the orders in council respecting the Japanese Canadians, I should like to make some comment. I was disappointed with the explanation the minister gave the committee as to why these regulations had to be continued. I do not think that, considered on most grounds, his reasons can be accepted as satisfactory. I believe the majority of Canadians who value freedom and our democratic institutions will be sorry to hear that the government has decided for another year to renew order in council P.C. 946.

Hon. members will recall that the original purpose of the order in council, as pointed out by the minister, was to allow the government to control people of Japanese origin during the war. I think no one would argue that during the war these controls were not necessary. But as we sit here this afternoon debating the subject we must remember that the war has been over for almost three years, and the original reason for the orders in council has, in my opinion, disappeared.

We are not threatened with a stab in the back from Japanese Canadians. We are not threatened by any fifth column today. Therefore I cannot see any logical reason why we should continue these orders in council. The minister has said that they will be discontinued a year from now. If it is good to discontinue them a year from now, why is it not good to discontinue them today?

I suggest that the committee should remember that the vast majority of those who are affected by these discriminatory orders in council are Canadians who were either born in Canada or naturalized here. In effect, today the government is asking us to deny them the privilege of Canadian citizenship for another year. I cannot understand the reason for doing that. It could not be because they were disloyal during the war, because not one was charged with disloyalty. No charges of disloyalty were even made against any Japanese Canadians. It cannot be because they were guilty of aggression. They were no more guilty of the aggression of the Japanese empire, than were other Canadians; if, indeed, they were as much.

As I said a minute ago, the reason for putting these orders in council on in 1943 does not hold water today. To boil it down, there is only one reason why these orders in council are brought up again today, and that is solely a reason having to do with intolerance and racial discrimination. These people have committed no crime. They have not been charged with any crime. They are denied the privileges of Canadian citizenship solely because their skins are yellow. Whether the minister admits it or not, I suggest that that is the fact.

I am particularly interested in these Canadians of Japanese origin because several hundreds of them were sent out to my own constituency two years ago. They were lodged in some old airport buildings. They did not want to go there, but they were put there by the government. After they had lived in these premises for about a year, the minister's department decided they should go somewhere else. The labour authorities told them to go into the bush to find some work, to go out to some farm, or elsewhere. They tried to force them to leave Moose Jaw, but they would not let them go back to their homes in British Columbia.

Several of the men who were living in that camp served with the Canadian army in the first great war, one of them having been wounded at Vimy Ridge. When this war broke out he was interned, his property was confiscated or sold on him, and then, after the war, he was put in the camp at Moose Jaw.

The authorities have been able to force these people one by one to leave the camp against their will, until today there are only a couple of dozen left. It may be that they are not co-operative; I do not know, but I think the government officials have been using methods to get these people to leave against their will, methods which are almost akin to those that would be used in a police state.

I have a letter from one of the inmates in that camp which was written to me about three weeks ago and from which I should like to read two or three paragraphs to show the minister just what has been done by the R.C.M.P., and some of his departmental officials. It reads:

> On February 10, at nine o'clock in the morning the electricity was discontinued. Around eleven o'clock the water was also discontinued.

The officials were trying to force these people to move out of the barracks into which they had been put. The letter continues:

> Near twelve o'clock the official in charge with the help of the R.C.M.P. came and carried away all government blankets and mattresses. Under the circumstances there was nothing we could do except to buy an oil burner to keep us going for an indefinite time.

I might say that we have pretty cold winters in Moose Jaw. The letter continues:

In the evening a group of mounties with the camp officials came in and saw us using the oil burner and they took it outside and destroyed it.

I am going to skip certain parts of this letter because they are so bad that I do not think they could be true.

Mr. MITCHELL: I do not think the last statement of my hon. friend is true either.

Mr. THATCHER: That may be so; I am prepared to admit that. The letter goes on:

We spent the whole of Saturday night with only a candle for warmth with 17° below temperature.

I do not know whether that letter is absolutely according to the facts because I have not had time to check it, but it is a letter which one of the inmates wrote to me and which has been verified by several others of the inmates of that camp. I think I would agree with the official in charge that the few who remained probably have not been co-operative, but they have had possibly many reasons for not being co-operative.

Mr. MITCHELL: On a point of order, unless my hon. friend is prepared to table the letter I do not think it has any value at all.

Mr. THATCHER: I am quite prepared to table it, but I do not want the R.C.M.P. going in there—

Mr. MITCHELL: Just one minute; just go a little easy on that. I will deal with it when it comes my turn to speak. Unless my hon. friend is prepared to table the letter it has no value whatever, and when I say, table it, I mean to give the name of the writer.

Mr. THATCHER: Would the minister be satisfied if I showed him the letter and did not put it on *Hansard*?

Mr. MITCHELL: If my hon. friend stands up in this assembly where he has absolute freedom, where he can say anything he wants to—

Mr. PROBE: The Japs have not.

Mr. MITCHELL: Just a minute. I asked the hon. member for Regina City just to keep quiet for a few minutes. I do not think the letter is worth the paper it is written on unless it is placed on the record with the name of the person who supplied the information.

Mr. THATCHER: Will the minister undertake that there will be no reprisal against the writer? If so, I shall be happy to table the letter.

[Mr. Thatcher.]

Mr. KNOWLES: Will the Minister of Labour indicate the standing order upon which he relies? This matter has come up in the house a number of times. I recall quite vividly one occasion during the last parliament when the former member for York South was called upon by a minister to table a letter of this nature, and later the Clerk of the House returned the letter to the member saying that it was not a public letter, that it was merely a letter to a private member of the house and it was not in order to ask that it be tabled.

Mr. MITCHELL: Let us put it on the basis of honesty and decency, and when I say that I am casting no reflection on any hon. member.

Mr. PROBE: Be careful.

Mr. MITCHELL: I do not need to be careful.

Mr. THATCHER: Is the minister doubting my word?

Mr. MITCHELL: I said that I was not casting any reflection upon any hon. member. The hon. member was casting reflections upon the police, perhaps inadvertently. It is easy to attack a person in this house or to cast reflections upon someone who cannot defend himself. I think we should consider this on a practical basis. I am not going to get into an argument on the rules of this house in order to satisfy the hon. member for Winnipeg North Centre. I am simply working on the basis of common sense. Perhaps I had better read citation 316, which is as follows:

It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interest. The same rule, however, cannot be held to apply to private letters or memoranda.

Mr. KNOWLES: There you are; the words are coming right out of your own mouth.

Mr. MacNICOL: You have to take it back.

Mr. MITCHELL: No, I will not. I will go back another chapter although I think it is a complete waste of time.

Mr. THATCHER: May I proceed?

Mr. MITCHELL: Just a minute; you asked for this and you are going to get it. I will read what the hon member for Winnipeg North Centre is speaking of. It reads:

On the 18th of May, 1865, the attorney general, on being asked by Mr. Ferrard if he would lay upon the table a written statement and a letter to which he had referred on a previous day, in assuming a question relative to the Leeds bankruptcy court, replied that he had made a

statement to the house upon his own responsibility, and that the documents he had referred to being private, he could not lay them upon the table. Lord Robert Cecil contended that the papers, having been cited, should be produced—

Mr. KNOWLES: Go on.

Mr. MITCHELL: I am not like my hon. friend; I will read everything.

Mr. KNOWLES: But you stopped.

Mr. MITCHELL: My hon. friend is looking at himself in a mirror.

Mr. CASTLEDEN: That is an insult.

Mr. MITCHELL: It might be as far as my good friend who has just spoken is concerned.

Mr. CASTLEDEN: The sermon from the mount.

Mr. MITCHELL: It concludes:

—but the Speaker declared that this rule applied to public documents only.

Mr. THATCHER: I should like to finish my few remarks.

Mr. MITCHELL: I am speaking on a point of order.

Mr. THATCHER: When are you going to get to it?

Mr. MITCHELL: Citation 306 reads:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

There you are; you can take it whichever way you like. You have to take the responsibility.

Mr. MacNICOL: He does not have to table the letter.

Mr. JAQUES: I do not pretend to have any expert knowledge of the rules of procedure, but I definitely remember that some years ago a member of this group read a letter and when he was required to give the writer's name it was decided that the contents of the letter should be stricken from the record. I forget the year, but it was before the war.

Mr. THATCHER: The minister said that I made allegations against the R.C.M.P., but he misunderstood me. All I am saying is that I received this letter from a person in my constituency. I hope the letter is not true, but I am afraid it is. I think the minister should at least investigate, because if the charges which this Canadian of Japanese origin makes are authentic, it is a reflection on Canadian justice. I do not say that I corroborate these charges. I simply say that we might expect things of that kind in a police state but not in Canada.

This afternoon we are being asked to extend for another year this measure, one under which a Canadian minority is being denied its freedom, whether we like to admit that or not. A few weeks ago parliament set up a committee to bring in legislation to guard the rights and freedom of Canadians, and it seems to me that we are being a little hypocritical, if we bring down legislation just two weeks later denying these rights to certain Canadians. It just does not make sense. I remind the committee of the words of the Prime Minister who, on August 4, 1944, said at page 5917 of *Hansard*:

We must not permit in Canada the hateful doctrine of racialism which is the basis of the nazi system everywhere.

As I said a year ago, this order is based on racial animosity and discrimination. I therefore move in amendment, seconded by the hon. member for Wood Mountain:

That the following words be added after the word "period" in line sixteen:

provided, however, that order in council P.C. 946 of May 2, 1943, shall not continue or be in force on or after April 1, 1948.

The DEPUTY CHAIRMAN: I do not think the amendment is in order. While discussion has been permitted on certain features of orders and regulations, we are dealing with the one clause now before the committee.

Mr. ILSLEY: Mr. Chairman, just consider the situation here. The government is asking the House of Commons to amend a section of the act which causes the act to expire on March 31, 1948. In effect, the government is asking the House of Commons to continue certain orders in council which have been passed under the act until such time as they are revoked, but in any event until about a year from now. There must in fairness be some machinery by which the House of Commons can give partial assent to that proposition which has been put forward by the government. I think that is essential. I do not think I could come before the house and ask it to swallow it whole, all or nothing, so to speak. I did not ask the house to do that last year and I am not asking it to do it today. Whether it could be done by proviso, as the hon. member has proposed, or by a separate clause, I do not care; but I feel that the house should be given an opportunity of moving an amendment one way or the other, and if you, Mr. Chairman, would indicate the way you think would be more

appropriate I am quite agreeable to either way. But I would be very unhappy if we got ourselves into such a position that no amendments at all could be proposed.

The DEPUTY CHAIRMAN: I do not think the chairman should decide which method should be adopted; it should be by agreement of the committee as a whole.

Mr. CROLL: Mr. Chairman, in speaking to this bill one can say for it that at long last the end of official discrimination against the Japanese in Canada is in sight. This bill, tardy and ungenerous though it is, at least draws the line of April 1, 1949, and no farther. I hope it marks the close of a chapter in Canadian history that we shall not be very proud to print in our school books.

I am not going to say very much today by way of valedictory. I spoke and used whatever influence I had against the government's action against Japanese of Canadian citizenship, but the government persisted in its view, although whatever justification there may have been for it came to an end at least two and a half years ago with the end of the war.

I can only say this. As one who was highly privileged to serve my country during the war I hang my head in shame before my comrades in arms of Japanese ancestry. As a member of this house I can neither forgive nor justify the wrong that has been done to a blameless people. As a firm believer in democracy I must say that I think we betrayed the fundamental principle of democracy which I consider to be equality. As a human being I say that we have committed an offence in passing judgment on our fellow men solely on the basis of blood and race. As a member of a minority race I say to the minority people, be ever on your guard.

In Canada there is no room for the doctrine of white supremacy, nor is there any room for second-class citizenship. I only hope that my country will never again put me in the position where I have to stammer forth some sort of explanation or apology for the action which the government has taken. Our treatment of Canadians of Japanese ancestry was in my opinion wrong in principle and demeaning in its application both to the Japanese and to ourselves.

It is my sincere hope that Canada will never again be guilty of official discrimination against any race or creed. Liberty is indivisible. It seems to me that if the humblest citizen of Canada is not free there is no freedom in this country for any of us.

I said that I was not going to say much about the bill. To all that is contained in this bill I say good-bye and good riddance. I hope we shall never see the like of it again.

Mr. MITCHELL: The hon. member for Moose Jaw spoke of the situation in his city. I have an intimate knowledge of it. It was used as a redistribution centre for the allocation of Japanese across the country. It is the only camp where we had any trouble.

Mr. MacNICOL: Which camp is that?

Mr. MITCHELL: It is the one outside Moose Jaw. Forty-five people still remain in it. What we wanted to do was to consolidate them all in one building, and they would not go in the one building. That is the information I have. All during the period when there was a great demand for manpower in this country there was never any effort on the part of the individuals concerned to move into the life of Canada in the areas where they were permitted to do so at the time. Whether you fought in the first great war or in the second great war, when you have a battle between two ways of life raging steadily in Europe and also in the orient there is an obligation on everyone. Let it stand on its own feet.

My hon. friend talked about a police state. We hear a lot about the police state, from people who do not know what a police state is. They are using the jargon of certain ideologies that some people follow in Europe. I am not suggesting that my hon. friend is doing that. I do not think it is in the best interest of this country to use that language. I would rather use Canadian expressions.

Let me say this to my hon. friend, the member for Spadina. I hope the committee will forgive me if I say in a personal way that I served my country as he did himself. I know something about the movement that takes place in affected countries under the stress of war. We did the same as they did in the United States. For reasons best known to themselves and for reasons obvious to us, they found it necessary to move these people in 1942 from the Pacific coast. That was undertaken, and I defy contradiction in what I am about to say. I do not hang my head in shame at the approach we made to the orderly movement of these people. I know of no other nation on earth that would have provided the facilities for the Japanese, not only those who wanted to stay in Canada, but also those who wanted to go back to Japan even before the war was over, that we did. I like to hear some of these purists talk, but one cannot always be a purist in the light of practical considerations, when the life of a nation is at stake.

The first obligation of a government, and the first obligation of this parliament, over and above every other obligation, is the safety of the state. If that was necessary in 1942—

Mr. THATCHER: Admitted.

Mr. MITCHELL: My hon. friend admits it.

Mr. THATCHER: But not today.

Mr. MITCHELL: My hon. friend says, "not today". If I might say this to the hon. member for Moose Jaw, I would rather take the word—

Mr. REID: He is not in a position to know.

Mr. MITCHELL: —of the Japanese themselves, or the Japanese organ which reflects the opinion of the Japanese in this country than that of the hon. member for Moose Jaw.

Mr. REID: He has not enough of them to know.

Mr. THATCHER: I have quite a few.

Mr. REID: You have not enough experience with them yet.

Mr. MITCHELL: I would rather take their opinion than my hon. friend's opinion. It is easy to make the statements that the hon. member for Spadina made when you are not charged with the responsibility that this government was charged with in 1942 and since.

It is true that at the conclusion of the war the United States authorities said to these people, "You are on your way; you can go where you like". We believed, rightly or wrongly, and history will show whether we are right or wrong—at least at the moment the Japanese think we were right—in the policy of relocation across this dominion from the Atlantic to the Pacific. It was a man-size job. Hon. members will realize that when I tell them we spent a million and a half dollars in sending the Japanese back to Japan. I should like to know of any other nation that would have given these people who wanted to go back to Japan what we gave them. We gave them their transportation; we gave every adult $250 when he landed and $50 for every child in the family. I should like to know of any other country in the history of the migrations of people of that character who ever did a thing of that kind. Do not forget this, that under the stress of that time, in the midst of a war where freedom might have disappeared from the scene, desperate remedies were called for, especially after Pearl Harbor. You could not talk about it in public in this country or in any other country in which a free press existed at that time. It was necessary, and the responsibility of the government, to take adequate measures in their own interests. I remember flying across this country and asking some of my friends if they would take these people away from the west coast and allow them to settle in their own provinces. Obviously, for reasons best known to themselves, they said no. We did make agreements with Alberta and, if my memory serves me rightly, with one or two of the other provinces, but particularly with Alberta. The chairman of the British Columbia security commission made an agreement that the Japanese would be removed from that province at the conclusion of the war. Let me say, to the credit of the government of Alberta, that the recent agreement consummated by myself and officers of my department permits the Japanese in Alberta to retain full civil rights on April 1 of this year. In the last few days we have made an agreement with British Columbia for the maintenance of the older people and the indigent people in New Denver, British Columbia. It will be required to make arrangements with other provinces where this problem exists. As my hon. friend knows, these things are not done overnight. I am happy to state that, in conformity with the order in council passed a few days ago, the Japanese will be permitted to move anywhere in the Dominion of Canada outside British Columbia.

I do not believe there is any other way in which we could have done it, Mr. Chairman. In my judgment it is all a question of timing, not a question of slogans. I was recently in the city of Montreal where I met a Japanese father of eight children. He said he liked living in Montreal better than Vancouver. He did not say anything about Moose Jaw.

Mr. THATCHER: He did not have the chance, I imagine.

Mr. CLAXTON: He had pretty fair judgment, of course.

Mr. MITCHELL: Yes. There are more Japanese in Ontario today than there are in British Columbia.

An hon. MEMBER: Hear, hear.

Mr. MITCHELL: My hon. friend says, "hear, hear". I think there is some achievement. If we had listened to the pros and cons during the relocation of these people; if we did not maintain a steady course; if we had become hysterical, which it is quite easy to do when you have no responsibility—

Mr. SMITH (Calgary West): I thought that was what made you hysterical.

Mr. MITCHELL: I do not know; I have been tempted to get that way myself during the last five or six years. I think history will record—

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: There is one thing about it, you have to have a sense of humour. I will put this proposition forward. History will record that, in the light of the desperate situation that existed in this country in 1942, the policy of relocation of the people of the Japanese race was carried out in a humane way. It was in the best interest of the country. There was no breakdown of law and order and it was in the interests of the Japanese themselves. They will thank this parliament for the policies which were set in motion.

Mr. THATCHER: If I understood the minister correctly, he said that the official organ of the Japanese Canadians favoured the continuation of this legislation.

Mr. MITCHELL: I read that article. I will read it again if you wish.

Mr. THATCHER: Just tell me, do they favour it?

Mr. MITCHELL: They said in effect—

Mr. KNOWLES: Will you table the article?

Mr. MITCHELL: No. I read it into the record and gave the source. What they suggested was in effect that, while it was looked upon as not in their best interests originally, they would regard it now as being in the best interests of people of Japanese origin in this country; that is, the relocation.

Mr. THATCHER: But they do not favour the continuation of this legislation at this time. Is that not correct?

Mr. MITCHELL: I believe my hon. friend was upstairs getting his notes when I made the statement.

Mr. THATCHER: No; I have been here all the time. The question is a simple one.

Mr. MITCHELL: They never expressed an opinion.

Mr. MacINNIS: As the Minister of Labour has said, I do not believe that we can deal with this question by just reiterating slogans, of which, may I say, he seems to be a past master. We can only deal properly with it if we try to understand the circumstances under which these people were removed from their homes on the Pacific coast and scattered across Canada. Remember, no crimes were charged against these people, and none of them were convicted of crimes.

Mr. WARREN: What would you have done?

[Mr. Mitchell.]

Mr. MacINNIS: If my wise friend up in the corner will tell us what he is going to do, if he keeps quiet, I will tell him what I should like to see done.

Mr. WARREN: I think the government did a fine job.

Mr. MacINNIS: That is my hon. friend's opinion and I suppose if he did not think so he would not get the nomination at the next election or, if he did get it, he would not have his expenses paid.

Mr. WARREN: Never mind my expenses.

Mr. MacINNIS: The Minister of Labour said that we did the same as the Americans did. True, we did the same as the Americans did up to a point; and at that point we continued our restrictions and discriminations against people who, as I said before, were not charged with any crime and had not committed any. These people were moved from the Pacific coast for military precautionary reasons. Their property was confiscated, and I shall have something to say about that before I sit down. In some cases they have lost the labour of a lifetime in becoming settled in other parts of the country. That they have accepted in good part what has happened to them is to their credit. They have accepted it. The Minister of Labour said that we were fighting for our way of life. He said there were two ways of life and we were fighting on one side while other people were on the other. But as far as these people of Japanese origin were concerned, they felt here the kind of life we were fighting against in other parts of the world. That is what I object to in the government's policy in this matter.

I congratulated the Minister of Labour on a number of occasions on the job that his department did in the evacuation of these people. There is no reason why there should be any quibbling about that. I am not finding fault with that, but I am certainly justified in finding fault with the government where I believe the government is in the wrong, and that is the only point I wish to discuss.

The point has been made that these orders in council are to come to an end on a date certain, April 1, 1949, and, that being the case, we should be satisfied. But suppose the Minister of Labour were in a position where he was told that he could not go to the city of Montreal for a year without a police permit. How would he like it? To say that it is only for a year is beside the point. As far as Montreal is concerned, I would not be surprised if he said, "I don't mind". But if he wanted to go to Vancouver he would say, "I

want to go to Vancouver today without a police permit and I want to do so as a Canadian citizen; I do not see why I should wait until the first day of April, 1949". That is the situation.

There is an assumption—I do not know how it has been put over to the government—that there is tremendous race prejudice in British Columbia against the Japanese. That is not the case, as the government of British Columbia found out within the last few weeks. Mr. Chairman, I think it is six o'clock.

Mr. SKEY: Could the Minister of Justice tell us under what regulations we deal with rent controls, and approximately when we shall deal with them?

Mr. ILSLEY: The hon. member will find it on page 2152.

Mr. SKEY: Can the minister tell me when it will come up?

Mr. ILSLEY: When we get through with this we shall take it up. I expect so.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MacINNIS: Mr. Chairman, when the committee rose at six o'clock I was just beginning a few remarks I want to make in regard to certain of the orders in council attached to this bill, affecting persons of Japanese origin in Canada. I mentioned that some people were under the impression that there was intense feeling in British Columbia against persons of the Japanese race. As a matter of fact the government of the province thought that was the case and recently, with a couple of by-elections coming up, they thought they could raise the same old race issue. So they evoked a regulation in regard to persons of asiatic origin working on crown timber leases, which had been in abeyance I think since 1942. However, I am glad to say they found immediately they had made a mistake, because it brought protests from one end of British Columbia to the other. For the first time since the evacuation from the Pacific coast, all the daily newspapers in Vancouver were as one on this question; and I am going to take a few minutes of the time of the committee to read from the editorials that appeared. Before doing so, however, may I say that so strong was the protest against the action of the government that the order was rescinded and the matter was referred to the legislature for a decision. I should like to warn this government that unless they are careful they will find themselves further behind than the government of British Columbia in this matter.

Here is an editorial from the morning newspaper, the Vancouver *News-Herald,* entitled "B.C. takes another crack at the Japs." I shall read extracts from it:

> This cruel and arbitrary act shows that the mentality which persists in persecuting these people is still very much alive in the government of this province—even in high places.

The regulation the government of British Columbia put into effect prevented certain people of the Japanese race from working on crown timber limits in that province. If it is cruelty and persecution to prevent these people from working in lumber camps in order to make their living, what can you call an order that prevents them moving from one place to another in British Columbia, or from other provinces to British Columbia? It is persecution, no matter which way you take it.

Mr. GIBSON (Comox-Alberni): Call in the hon. member for Skeena.

Mr. MacINNIS: If the hon. member is interested in calling in the hon. member for Skeena he may do so. I am speaking now for myself. If any hon. members, even those behind me, or anywhere else do not agree with me, it does not make the slightest bit of difference as far as I am concerned. I would, of course, regret it as far as the cause in which I am interested goes, but it dos not matter a bit who may or may not support me. I quote again:

> Now the federal wartime order has ended, and the provincial government has lost no time in restoring the thirty-five year old discriminatory ruling. It has destroyed the living of these people, many of them Canadian-born or naturalized, who had found a useful, peaceful occupation in an industry where manpower is urgently needed. Many of them had been previously evicted from their homes by the wartime ruling barring them from the coastal area.

There seems to be no let-up to the persecution of these people who, as I have mentioned time and again, have committed no crime and have been charged with no crime, merely because of the accident of birth. I quote again from the same editorial:

> Insistence on the part of politicians with their eye on an election, in persecuting—

Note that word again.

> —fellow citizens of Japanese race has already given British Columbia a bad name wherever human rights are respected. The contrast between British Columbia and the state of Wash-

ington in the post-war treatment of citizens of Japanese race is a travesty on vaunted British justice and fair play.

I should like the Minister of Labour to take note of that. I have often heard him say in this house, with great gusto, that the Englishman's home is his castle. If that be true, these Canadian citizens of the Japanese race did not find much security in their castles in British Columbia. I have another editorial from one of the evening papers, the Vancouver *Sun*, which I believe is a Liberal paper—

Mr. SINCLAIR: Hear, hear.

Mr. MacINNIS: As far as I know, this is the rst time the Vancouver *Sun* has criticized government policy, either provincial or federal, in regard to their treatment of persons of Japanese origin. The heading of the editorial is significant; it reads, "These Japanese are ours." Well, if they are ours we certainly do not show it. The extension of these orders in council for another year beyond what is necessary—and let me say that last year they went a year beyond what was necessary—does not show that we have much regard for our own. Let me read a few extracts from this editorial:

British Columbia has long since outgrown the kind of racism of which this order appears to be a reflection. C. D. Orchard, deputy minister of forests, cannot shrug it off by saying that "it has been done for fifty or sixty years." So what? This is 1948. Conditions which promoted racial antagonism have changed since Pearl Harbor.

Evidently they have not changed for many people in the Canadian cabinet. I shall have something more to say about that before I have finished.

Then it goes on:

Probably some of them will even return to Vancouver—

That is referring to the Japanese.

—when the coastal security zone is abolished. Their reception may be warmer than their welcome in certain quarters, but British Columbia must be fair. British Columbians have asked other provinces to absorb a proportionate share and British Columbia must retain its quota.

To deny them the right to work in the woods, which they obtained by federal wartime regulation, is a piece of needless aggravation. That merely cuts their new roots and induces them to drift back into their former haunts and habits.

Let me say again that to refuse them the right as Canadian citizens to travel anywhere in Canada is a needless aggravation.

Then I come to the third Vancouver paper, the Vancouver *Daily Province*. Let me say this for the Vancouver *Daily Province*, that while it supports the Progressive Conservative party—although I do not think it says it is a Progressive Conservative paper—I must say for it that, in my opinion, it has always taken a decent stand in this matter, from beginning.

The Toronto *Daily Star* in an editorial on February 5, 1948, quotes with approval, from an editorial on this subject, the following from the Vancouver *Daily Province:*

The policy the government now reinaugurates—

That is, the provincial government of British Columbia.

—is not a respectable policy, since it is based on racial and economic prejudice, and it is a dangerous policy since it violates one of the fundamental rights of a Canadian citizen—the right to earn a living in whatever occupation may seem desirable to the citizen himself.

The other day I heard some hon. members over here to my right make a great to-do about the effect of the placement orders in council passed by the British government, wherein a person would have to take essential service if so required. I hope they will express their fervour for freedom which they expressed at that time, when this amendment comes to a vote. I hope they will realize that in this country we have Canadian citizens who, according to the last statement I have had from the Minister of Labour cannot move for more than fifty miles in British Columbia without a permit from the Royal Canadian Mounted Police. Perhaps that is not the situation today; but if it is not, I should like to know.

I quote again from the *Daily Province*, as it has been quoted by the Toronto *Daily Star*:

This British Columbia policy violates the principle of equality which the citizenship act seeks to establish. How can that be tolerated by a people proud and jealous of their liberties? It is always dangerous to permit fundamental rights to be violated without challenge, or minorities to be pushed about.

I should be very much surprised if the Minister of Justice feels easy in his mind about the extension of this order for another year. I should be very much surprised if the Minister of National Health and Welfare felt easy in his mind when he had to give approval to this provision—because I imagine it came before council. I do not see the Minister of National Defence in his seat at the moment; but certainly I cannot understand his giving it approval; that is if the words of these ministers in the past are any indication of an inner sense of right and justice.

Mr. KNOWLES: Do not forget the Prime Minister.

Mr. MacINNIS: Well I can forgive the Prime Minister because he is a very busy man and perhaps has not the time to give to

these matters that they should have. I cannot understand the newcomer to the cabinet, the Minister of Veterans Affairs, agreeing to a proposal of this kind; nor can I understand the Secretary of State for External Affairs doing so. I say I cannot understand them, that is, if one is to place any value on their statements of their high regard for liberty, equality and freedom. Their acceptance of continuing these restrictions is not understandable.

Let me now quote from a Vancouver *Daily Province* editorial direct. The editorial is entitled: "A Rule to Make Canadians Blush." It reads:

The circumstance that this right and certain others were interfered with during the war is beside the point.

I would ask the committee to keep that in mind.

The war created an emergency, the nation's existence was deemed to be in danger and emergency measures were taken to protect it. There is no national emergency now, and no justification for the violation of fundamental rights.

That is the issue, the only issue, before this committee. Are we to violate fundamental human rights of Canadian citizens simply on the score that they happen to be of a certain racial origin? Every other consideration has been swept aside. No one can say there is any more danger of an exodus to the coast at the end of March, 1948, than there would be at the end of March, 1949. There is no reason behind those things. Let me say again that the only question at issue is whether this Canadian House of Commons will protect the fundamental human rights of Canadian citizens, regardless of their racial origin or the colour of their skin.

To continue from the *Daily Province*:

It creates a lower type of citizen—one lacking in certain privileges enjoyed by others. How can that be tolerated by a people proud and jealous of their liberties?

If we are proud and jealous of our liberties, this is the time to act; not when someone of the Anglo-Saxon race has his liberties curtailed. That may be too late. Probably by that time we shall become accustomed to abridging people's liberties. This is the time to act, when people who are in a minority—an insignificant minority at that—find their liberties in jeopardy.

Then the editorial continues:

We are proud in Canada of our free institutions and—

I want the Minister of Justice to listen to this.

We are proud in Canada of our free institutions and the even-handed justice which, we boast, prevails.

We cannot boast that that even-handed justice prevails if we allow this discrimination to be carried out. The editorial continues:

How much justice has there been in our treatment of the Japanese minorities since 1941?

And let me quote again—I believe I have already quoted it:

It is always dangerous to permit fundamental rights to be violated without challenge or minorities to be pushed about. Small liberties, experience has shown, are the important ones. Where they are stamped out, it is easy for the larger ones to be destroyed.

I am quoting this because it relates to the action of the provincial government. But in this instance it applies just as clearly and for the same purpose as it applied in connection with what the government of British Columbia attempted to put over.

I shall quote briefly from a Toronto *Daily Star* editorial of February 5, 1948, as follows:

Public opinion in British Columbia appears to be mounting against the government's racial policy. Among the protest meetings was one attended by 700 students, held at the university of British Columbia. A resolution was unanimously adopted demanding enfranchisement, freedom of movement and equal employment opportunities for Japanese in the province, as well as the repeal of the forty-year-old crown lands order against them.

The Winnipeg *Free Press*, another paper which has consistently taken a fair and decent attitude in this matter, says:

But voluntary dispersal is a very different thing from a government regulation which says that any Canadian cannot live in a certain part of the country. If this precedent is once established for one minority it can be applied to any minority in a nation of minorities. It can be used to destroy the most basic rights of all citizens.

On February 10, 1947, I asked the following question of the Minister of Labour:

Which of the restrictions on the movement and actions imposed on and after the evacuation from the Pacific coast defence zone still apply to Canadian citizens of Japanese racial origin?

The minister's answer was as follows:

All restrictions have been revoked except the following which are still applicable to persons of Japanese race in Canada:

(a) The prohibition of issue of fishing licences to persons of Japanese origin contained in order in council P.C. 251 of January 13, 1942.

(b) The prohibition of movement by persons of Japanese origin in Canada without a permit from the Royal Canadian Mounted Police only in the following cases: (i) change of residence; (ii) entry into the coastal restricted area of British Columbia; (iii) travel for more than 50 miles in British Columbia.

I understand that in the Soviet Union a person cannot travel fifty miles without get-

ting a permit. I am sorry the Minister of Labour is progressing so far in the same direction.

Mr. MITCHELL: You cannot travel a mile there. The hon. member knows that you cannot go across the street.

Mr. MacINNIS: I could not get in there at all.

Mr. MITCHELL: You made a good try though.

Mr. MacINNIS: Then the next provision:

(iv) Travel across a provincial boundary.

Except for (ii), these remaining restrictions on movement are not applicable—

I want the veterans in this house to note this.

—to discharged members of the armed forces who are of Japanese origin.

That is, if you are of Japanese origin and served in the armed forces the restrictions that I mentioned do not apply, with the exception of entry into the coastal restricted area of British Columbia. I imagine that these men, to the extent that they had the opportunity, were fighting for that part of Canada as well as for other parts. We have a special committee of the house now looking into veterans affairs. Ever since the session began, we have heard from day to day condemnation of the government for its refusal to deal fairly with the veterans of the last war and of world war I. But here we have veterans who are refused the right to travel freely in the Dominion of Canada.

When I was home in December just before the house opened a man from the Fraser valley district came to see me. He wanted to buy a piece of land which was owned by a Canadian of Japanese origin who had been removed during the period of evacuation. This young fellow eventually found his way into the army. The land had been taken over by the custodian of enemy alien property and had been sold to the administrators of the Veterans Land Act, but it had not been disposed of by them. I have the following report from the Secretary of State, to whom I wrote about it:

A report on our file indicates that this property comprised 6·67 acres all overgrown and bush except for eight fruit trees and on which there existed a one-storey house, sixteen by twenty—

I am not sure if the one-storey house existed on the fruit trees.

—containing three rooms unoccupied—

No wonder they were not occupied when they took the owner away.

—and that this building and also a woodshed and garage were all in very poor condition. The value for assessment was $500—and the annual taxes $8.13.

They offered him $280 for his land which had been compulsorily taken from him, and they charged him with the legal expenses of making the transfer. The details were:

Taxes	$ 9.34
Legal expenses	15.00
Certificate of encumbrance	1.00
Registration	3.00
Total	$28.34

and there remains a net credit in this account of $251.66. This amount is available to Suzuki at any time.

The man who came to see me was anxious to get the property. He was willing to pay Suzuki as much as $1,200 for it. He told me that was not all the property was worth and that if he was compelled to do so, he would go higher.

Mr. REID: Is that property in Surrey?

Mr. MacINNIS: I have the legal description of it. I think the gentleman who came to see me also saw the hon. member for New Westminster. I bring this matter to the attention of the House of Commons to show that we have two standards for veterans in this country, one standard for veterans of Japanese origin and another standard for other veterans. Citizenship on that basis cannot exist. Before hon. members let this thing go by, I ask them to realize that this is not an insignificant thing. A human being is a pretty peculiar mechanism. You cannot do anything which does not affect you either for good or for ill. If you do something today that you feel is not justified, that you find is in conflict with your conscience, you will be a worse person tomorrow for doing it. On the other hand, if you do a thing because you think you are right, then you will be a better person tomorrow because you did that today. I urge you not to let this thing go just because the freedom of only a few "Japanese" is at issue. It may be somebody else tomorrow, and tomorrow will be too late to rectify the mistakes of today.

The Minister of Labour said this afternoon that the Japanese Canadians themselves were not opposing this extension, if I understood him correctly.

Mr. MITCHELL: No, I did not say that.

Mr. MacINNIS: In any event, what he had in mind was, I think, and I agree with him,

that they were satisfied that the evacuation had served a good end. I think that puts the matter straight. But the official organ of the Canadian Japanese, *The New Canadian,* makes it quite clear that the Japanese themselves are opposed to the extension of these orders. As a matter of fact I met their representative here last week. He interviewed some of the members. May I add that he is a returned man, but before he could go to British Columbia on business he had to get a permit from the Royal Canadian Mounted Police.

The DEPUTY CHAIRMAN: I must remind the hon. member that his time is up.

Mr. MacINNIS: If I may just conclude, Mr. Chairman, with the permission of the committee, I should like to quote from this editorial in *The New Canadian*:

Parliament will shortly be asked to review two anachronistic orders in council. One denies Japanese Canadians the right to live where they please in Canada; the other denies them the right to engage in fishing.

The orders were passed during the war and kept alive through the exercise of special emergency powers of the government. These emergency powers are due to expire on March 31, and the restrictive orders will lapse too unless they are continued by the parliament through special legislation.

It continues:

We wish to bring to the attention of the government sound arguments why the restrictions should go:

1. The restrictions are fundamentally wrong. They have long outlived the original emergency purposes for which they were intended. Mr. H. F. Angus, a well-known political scientist and former government adviser, has denounced the orders as "an abuse of constitutional powers."

2. The government has sacrificed principle to expediency in attempting to make the dispersal of the evacuees stick by maintaining the restrictions longer than warranted by the original emergency. Now, even this questionable sacrifice has no point. The dispersal has been achieved, and we cannot visualize a large-scale return to the coast six years after the evacuation.

Those are two reasons they give, and I think they are valid reasons. There are many more, but I shall not detain the committee further. In taking my seat I would urge the committee to right this wrong while we have the time.

Mr. MITCHELL: Let me say to the credit of my hon. friend the member for Vancouver East that right down through the years he has always been consistent on this question of Canadians of the Japanese race. May I say in reply to him that if I had to do this thing over again, in the light of all the circumstances, I would do exactly what I was charged with the responsibility of doing.

My hon. friend says there is no intense feeling on this question in British Columbia. At least there are mixed feelings; and if the bars had been let down when the war with Japan was over and there had been an influx of these people into British Columbia and Vancouver particularly, at a time when the men were returning from overseas and when housing was short not only in Canada but in every other country that had been engaged in the conflict, I shudder to think of what might have happened. The government had to take the responsibility, and you cannot laugh that off by slogans which appeal to the mob. I am not suggesting that this evening my hon. friend was making slogans which appeal to the mob, but I say that we had to take the responsibility.

My hon. friend also spoke of property rights. I always thought human rights took precedence over property rights.

Mr. MacINNIS: I did not say they did not.

Mr. MITCHELL: I did not interrupt my hon. friend and perhaps he will allow me to develop my argument. I have a vivid recollection of meeting representative people in British Columbia at that time, and having some inside knowledge of the conditions and of the possibility of the destruction of our way of life, I had to say this to them: "I do not know whether you know it or not but you are probably living in the eventide of civilization." In any great war it is unfortunate but true that a loss of property rights is inevitable. Consider the question for a moment on another level. Take the people engaged in the retail motor industry and in the service trades. Their savings and investments went in just the same way as those of the people for whom my hon. friend speaks. That is one of the unfortunate things about war. But first consideration must be given to those who gave human life itself so that this parliament could be sitting here at this moment.

My hon. friend speaks of the accident of birth and says that I have often spoken of an Englishman's home being his castle. I still believe that, but if it had not been for some people with courage and determination in this world during those dark days of the war the Englishman today would not have a home or a castle. If I speak vigorously, my hon. friend will forgive me because he and I were brought up in the same school.

My hon. friend says that these Japanese are denied the right to work. I know of no time since I have been charged with this administration when these people have been denied the

right to work. Our dispersal policy has scattered these Japanese across the dominion, to the advantage of themselves and of the dominion. My hon. friend will agree that an intense concentration of them in the city of Vancouver would have made conditions very difficult, taking a long view, in that community.

My hon. friend also spoke of the British government and said I had stated that the first duty of government was to look after the safety of the state. At the moment, as my hon. friend mentioned this evening, the British government finds it necessary to interfere with what many consider the fundamental right of the average person in the United Kingdom so that that nation might live. A personal friend of mine is a prominent member of the Labour party. He severely criticized the government of the day on that score. I have no objection; I do not have to live there although I was born there. At the moment the government of Great Britain in its wisdom knows it is necessary for that country, and is prepared to take the responsibility. That is what we must do in this instance. I am informed that the government of Australia prohibited the landing in Australia of Japanese women who married Australian nationals during the war. If I may say so, that is the attitude of one of the most democratic states or governments in the world today.

My hon. friend raised the question of some order of February 10, 1947. It has been changed since then. Under the administrative order the only power enjoyed by me is that of prohibiting persons of Japanese nationality from residing in or entering into the coastal area of British Columbia. That is the only regulation which exists at the moment.

My hon. friend referred to the figure of fifty miles and made an allusion to Russia. He said that they had to get a permit in Russia to travel fifty miles, and that the same thing exists in Canada. Of course it does not exist at the moment. Might I say this to my hon. friend? If this nation was being attacked and it was necessary for me, charged with some responsibility in the government of this country, to say to him that he could not travel ten feet, he would not travel ten feet if it was necessary for the safety of this nation. I say that very frankly.

I think that covers most of the points, but I want to say this before I sit down. If there is any criticism, of course we shall have to take it; but you cannot undertake the movement of a large body of people such as this without some criticism. It needs arrangement; it needs a tremendous amount of organization; it needs the building of schools, sanatoriums, hospitals and so forth; it needs the agreements

of other provincial governments in connection with their social legislation so that they will be responsible at some time and give rights to those people equal to those enjoyed by the inhabitants of the respective provinces. That takes time. I would rather do it in an evolutionary way, as we have done, step by step, timing it as we go along, instead of in any other way, without all the inconvenience, might I say, to the Japanese themselves, that occurred in the United States, and the bitterness re-engendered in some of the cities on the west coast. It is like planting a tree; it is a slow growth. By the end of this year, as indicated in the amended order in council, I think these people will have found a niche for themselves in the other parts of Canada to their own distinct advantage and, in my judgment, to the vindication of the policies approved by this parliament.

In conclusion I wish to say I give my hon. friend credit for being consistent right through the peace, even in the darkest days of the war, in connection with this very difficult problem.

Mr. PEARKES: Mr. Chairman, I am sure the committee has been impressed with the sincerity and the idealism of the hon. member for Vancouver East. Without attempting to reach his eloquence, and knowing that I have not had the experience in the debate that he has had, I should like to put forward the point of view which I think represents that of those who live in my constituency. My constituency is on Vancouver island and in the islands surrounding it. It is a rural constituency, and I have lived in it for thirty or more years; therefore I feel that I can speak with some knowledge of conditions there.

Before the war there were many thousand Japanese living in that constituency. They were engaged in fishing, horticultural and small farming activities; they were engaged as gardeners around some of the big houses, and they were engaged in logging operations. In the main they were living in numerous small communities, but in those communities they frequently constituted a majority in that neighbourhood. They were difficult people to get on with, to co-operate with. They worked by themselves and for people of the same race. When war broke out, the order was given that they should be moved from the Pacific coast for defence purposes. Mind you, that was the opinion of all people who were living on the coast of British Columbia at that time, because there was fear in British Columbia. They did not know how far the navy, the army and the air force of Japan would move toward our coast. I am certain that it was regarded as a wise precaution to take. These

young Japanese, when they were ordered away from these villages, moved out with arrogance. They laughed at the lack of preparation that there was for defence of our British Columbia, and they boasted that they would be back again before long. They were stupid boasts, without foundation, I will admit, but they impressed the people who were living there and who were fearful at that time of what might happen. Those boasts and that attitude amongst these Japanese living in the rural parts have not yet been forgotten.

Then the war came, and we were brought close to the war in Asia, much closer than other parts of Canada were. We saw the troops moving through our ports. We had submarine scares; we had a Japanese submarine firing shells on a British Columbian village. These things have not yet been forgotten. Then we saw repatriated prisoners of war, both British and Canadian, moving back from Hong Kong. They were billeted for a while in camps just outside of Victoria. Victoria opened her heart to the British soldiers who were passing through. The Victorians heard the stories of the privations which these British and Canadian soldiers suffered at Japanese hands. There are Canadian soldiers still in Victorian hospitals in British Columbia. These things are not easily forgotten, and I am most anxious today not to take an unreasonable attitude, not to try to continue race hatred and that sort of thing. But I must be a realist, and I know it is not only Anglo-Saxon Canadians who are still bitter against the atrocities which were carried out by the Japanese, for there are many other orientals living in British Columbia. There are many thousands of Chinese still on our coast; the Chinaman realizes that China and Japan have been at war for many years, and he knows of the events which have taken place in Asia during that war. There are fishermen who remember the attitude of the Japanese fishermen on the coast before the war, where a white fisherman was driven off the ground because there were several boats owned by Japanese fishermen fishing in those particular waters.

I am happy to say that time is healing many of the sores and that there is not the same bitterness of feeling there was three years ago. The government has seen fit to adopt the policy of removing Japanese from our coastal area, and it has followed that policy up by distributing them across Canada in various other provinces, each province taking a share of the burden. While I was pleased to hear the Minister of Labour state that those Japanese who were living in other parts of Canada were settling in those areas and were being absorbed by the people in the communities in which they are now living, I have also had communications from a Japanese who tells me that he thought it might not be wise to have a precipitate movement back to the coast and that he hoped that those Japanese who were living in other parts of Canada would be given an opportunity to settle down before the temptation to return to the coast was put before them.

I was pleased to hear the minister read the editorial from *The New Canadian*. I had not read it myself but it did bear out sentiments that have been expressed to me. Therefore I feel that the government is taking a wise course in saying that for another year it will not open wide the gates of British Columbia and allow all those Japanese to return to the coast before they have really had a chance to test out the living conditions in other parts of the country.

I accept the idealistic attitude, and I think it is right, that we cannot say that one class of Canadians must live in one part of Canada and cannot be free to move to other parts of the country. But I think we must use some reason in this matter and must accept the fact that there has been much bitterness of feeling in the past. That bitterness of feeling is gradually dying down and those Japanese who will one day become Canadian citizens and who are living in other parts of the country are gradually becoming acclimatized and gradually accepting the conditions of life in the other parts and being accepted by the other communities.

While therefore, the ideal, the objective, the goal must be that, as soon as it is practical, the boundaries of British Columbia must be opened and citizens of Canada, no matter what their racial origin, be allowed to move back to the coast, at the same time I question earnestly whether that time has yet arrived.

War is a difficult thing, a hard, ruthless operation. The innocent suffer with the guilty, and I think it better to go slowly in this matter and to give them another year. Would the government not blame itself, if some of those people went back prematurely and entered into the life of a community which had not forgotten all the hatred of a few years ago, and perhaps crimes were committed which all Canadians would regret?

In order to prevent the possibility of crimes being committed, crimes of revenge, I think

it is wise to delay the removal of these restrictions for another year. If the government has decided it will remove them—perhaps that is all right—at any rate it will review them in a year's time. But this amendment is that the act will definitely be revoked a year hence, and I do not think either the commonsense people of British Columbia or the Japanese themselves will object to that restriction.

Mr. REID: I rise to take part in this debate for the reason that it might be said by those who are in favour of the Japanese returning to the Pacific coast that those who are against it were silent in the House of Commons because perhaps they could not meet the arguments which had been put up by those who advocated the return of these people to the Pacific coast.

I must commend the consistency of view held by the hon. member for Vancouver East (Mr. MacInnis) and, while I am sympathetic to his views, I trust that he and others of that group are just as sympathetic to us who have long held the opposite view that the grouping of Japanese in one province was a terrible mistake allowed over the years. They are not an assimilable race. The fact has never been brought out that when we deal with this group we are dealing with a group that cannot be assimilated by marriage. I do not find many of our friends opposite willing that their daughters or sons should marry Japanese.

May I refer to two matters touched upon by the hon. member for Vancouver East? He rather beclouded the issue when he spoke of the law put into effect by the provincial government denying Japanese to work on crown lands. That is one of the things we fear on the coast, because I do not think there is any citizen in Canada, no matter what his views are, who would deny the right of any person to earn his livelihood. Realizing that, we take the stand that if they go back to the Pacific coast they will be back in the fishing industry, and therefore we want this delayed as long as possible. I shall speak of that later.

With regard to the particular case the hon. member mentioned, I interrupted to ask if it was the same case I had in mind because I knew this man had gone to my hon. friend. He found he could not buy the land belonging to the Japanese, and wrote me a letter saying, "I am through with the Liberal party forever; I am going to vote C.C.F. I am going to Angus MacInnis, and lay my case before him." Just what are the facts of the case? The government set up a commission to investigate the sale of Japanese property, and they took the stand, I think rightly, that they would not have anything more to do with Japanese property until the commission made its final report. Naturally, when this case came up, though the Japanese was willing to sell the property, the government took the stand that no property belonging to Japanese in British Columbia should be sold until the final report of the commission had been received.

I might say a word or two in this connection, because I happen to know something about the buying of the Japanese property; and I can tell hon. members that in 1942 we paid more than that property was worth. I venture to say that if the government of the day had handed $980,000 to reliable men and told them to go through the Fraser valley and buy the best land they could for our returned soldiers, they would have been able to buy more and better land than we bought from the Japanese. I make that statement without fear of successful contradiction. At that time, in 1942, you could hardly give away land. As was pointed out by the hon. member for Nanaimo, there was fear over the country. On the British Columbia coast there was a blackout. You could not move at night. No one knew where the Japs would strike next. That is all over now, though, and people say, "Oh, what a dastardly thing you did when you took away the property of the Japanese and moved them from the coast." But one has to go back to 1942 to appreciate the fear that existed at that time. When the Japs were moved from the coast I think that action met the views of every citizen of British Columbia. People in Toronto and cities like that were all right; they were quite safe, but on the Pacific and Atlantic coasts there was great fear of what might happen.

I believe those of us who have held to the view that the Japanese should not return to the coast have now gone a long way in our view. You will remember that we argued in this house that we should send back to Japan all those Japanese who had signified their willingness—and this at a time they thought the Japanese were winning, mark you—to go back to that country. We expected that after the war these men would appear before a royal commission of some kind and then be sent back to Japan. We expected that the Japanese would be combed out, and that those deemed undesirable would be sent back. That has not been done, and no one in British Columbia or in this House of Commons is now asking that it be done. Our views have

changed to some extent, but I differ greatly with the hon. member for Vancouver East when he says the feeling in British Columbia has entirely changed.

In a moment I am going to mention one place, and I will ask any member of the C.C.F. to go there and tell the people the Japs should be allowed back. When I mention this place I do not want to hear any accusation that I am doing so for political purposes, because I can assure hon. members that the district I am thinking of will not be in the riding of New Westminster when the next general election takes place, so that I cannot be accused of pulling for votes. Incidentally, when this charge is thrown at us that we are doing this for votes, I am always struck with this thought: why were any C.C.F. elected at all in British Columbia? Many members of the B.C. provincial legislature were elected on the C.C.F. ticket, and we have in this house at least two or three members of the C.C.F. who come from British Columbia and who hold views opposed to those I hold. If it is true that we have been taking this stand for political purposes, how is it that these men were elected? I am just trying to draw to the attention of this committee the fact that such charges are utter nonsense. I take strong exception to them, because away back in 1942 —does my hon. friend wish to ask a question?

Mr. McCULLOUGH (Assiniboia): Would the hon. member give the committee the assurance that the property sold by the Japanese to the first purchaser was not resold, in some instances at a very much higher price?

Mr. REID: I cannot give any assurance, because that is a matter for the government and my assurance would not mean anything. I am pointing out that when the property was bought we paid more for it than it was worth at the time. In other words, we lost money. Now we have lawyers from the province of Ontario going among the Japanese and stirring them up, telling them they have been robbed; and I venture to say it will cost this country another six or seven million dollars before we are through. Someone says the C.C.F. are doing that. I do not know whether that is true, but I know these lawyers do not belong to British Columbia; and my great objection would be that these men going around the province are not conversant with property values there.

Mr. FERGUSON: I can assure the hon. member that the lawyer from Ontario is a member of the C.C.F.

Mr. REID: That makes it all the worse; he is doing this not only for money but for political purposes as well. The money end of it was bad enough, but the other makes it almost unpardonable.

I was saying that we on this side, together with many hon. members on the other side, were asking that many things be done in regard to the Japanese. Now, when we come along and ask the government to delay this order for another year, not only in the interests of the people of British Columbia but in the interests of the Japanese themselves, we are opposed tooth and nail by members of the C.C.F. I am not going the raise the old cry, but I would tell hon. members from other provinces that in British Columbia this was never a political question until 1932 or 1933, when the late founder of the C.C.F. party made the statement in the House of Commons that if he and his party were returned to power they would give the vote to the Japanese. I say, without fear of successful contradiction, and I am sure every member from British Columbia will support me, that prior to that time no one would have got up on the platform in British Columbia and talked about the orientals. We were in those days all agreed; but when the leader of the C.C.F. party said they would give the orientals the vote it became a political issue for the first time. I regretted it, because back in 1932 I raised in this house the question of Japanese fishing licences in the Fraser river, and there was no cry of racial discrimination then. I do not know that even the hon. member for Vancouver East opposed the curtailing of the Japanese fishing licences, because at that time, too, I pointed to cases where the Japanese had boarded the boats of white fishermen, first cutting their nets and breaking their engines, and then beating up the fishermen. So I said then that as long as I had breath in my body I would keep advocating in this House of Commons that the heritage which belongs to Canadians would be returned to the Canadian white people.

That was back in 1932, and like the hon. member for Vancouver East I have been consistent. Now we are told by those who hold opposite views that we are doing this for political purposes, and I say it is utter rot when any one throws that accusation at me. As I said before, if that is the case, how does it happen that any members of the C.C.F. party from British Columbia have been elected?

I challenge any member of the C.C.F. party to go to the town of Steveston, where there was a fourteen-room school. Thirteen of the

rooms were filled solidly with Japanese children; one room had white and Japanese children. It was a completely Japanese town, taken over by the Japanese, until the war broke out. I challenge any member of the C.C.F., either when an election comes or before, to go to that town and tell those fishermen, "We want the Japanese back, and that when they do go back they will go into the fishing business." They had better take a bodyguard with them. I say that sincerely because at least three of the men of that town wrote me, and I can produce the letters if necessary, saying their boys had been tortured by the Japanese. One said to me, "Reid, if ever those Japs come back here I will give my life to get even with them." It cannot be said that I am making these statements for political purposes, because that part of the country will not be in my riding when the next election comes along. As the hon. member for Nanaimo pointed out, there is still a strong feeling in the province of British Columbia; but we believe that if this could be delayed for another year the problem would solve itself.

Every hon. member will recall the Prime Minister saying in the house that it was the desire of the government to have the Japanese distributed throughout the various provinces. But it was found out that they could not be distributed, legally. They could not be kept in any province legally; we had no law which would do that.

In the government's motion we are taking as humane a method as possible to keep them out of the coastal area for a period, believing that, once they are thoroughly settled throughout Canada, many of them will not desire to return to British Columbia. Let me say this to hon. members from Ontario that if you live long enough to have two or three thousand of them in a group in your province, in the days to come, you will say, "Well, those boys from British Columbia were right; we did not realize it." Wait until they get down to the Niagara district! Wait until they get down to the county of Essex! Just wait until they get to those places and take over from you your land! Wait until they begin to work among themselves and to live like an entire Japanese group and marry within their own group, speak their own language and live their own lives, and you will then say, "Those boys from British Columbia were not wrong, after all. But we did not heed them. They were right."

We have another group in British Columbia I might mention at this time; and British Columbia has always been the place in which one finds racial groups. Out there we also have the Doukhobors. There is no man or woman who can tell what to do with that group. It is one of the greatest problems we have in British Columbia, from a racial group point of view.

An hon. MEMBER: Your government brought them in here.

Mr. REID: I do not care what government brought them in; and I have no doubt if you had been living in that day you would have helped to bring them in. Then we have heard lately a good deal about sending guns and ammunition to China. We hear all kinds of protests about that; but I hear no one protesting about supplying anything to Russia. Oh, no! It is all wrong to send anything to China; but what we send to Russia is all right!

I say if we take a realistic view of this matter it will solve itself in the interests, both of the Japanese and of the people of British Columbia. Continue this order for at least another year. We hear a great deal about minority rights, but no one talks about minority provincial rights. British Columbia is a minority province; yet our cry has gone unheeded year after year.

And so to those of you from other provinces we say: Just ask yourselves why we from British Columbia, after the long years of experience we have had, get up and plead with you to listen to us. We ask you to be with us in this move to try, if we can, to distribute the Japanese across the entire dominion. We are not now asking that they all be put out of the country; I think we should be commended for modifying our view. We have now taken a rational view; but apparently that will not satisfy the C.C.F.

I have risen tonight to express some of my views, to contradict some of the things which have been said, and to show that at least I am not convinced by any of the arguments used by the hon. member for Vancouver East.

Mr. CRUICKSHANK: Mr. Chairman, I can assure you of this, that hon. members from British Columbia on this side of the house had no intention of taking part in this debate. However it has been more or less forced upon us by the hon. member for Vancouver East.

I did not hear the first part of his speech tonight, and I should like to place on record the reason why I did not hear it. I had the great pleasure and honour today of hearing what in my opinion has been the most distinguished contribution made before members of the House of Commons in the veterans committee since I have been a

member of it. It was made by those who are totally blind, those who have lost both limbs, or who were wounded in other ways—amputation cases, totally disabled cases. Because of that, I was not able to be here, and I did not hear all the hon. member had to say. Personally, however, I considered it a great pleasure and honour to listen to those disabled men, many of whom were from Hong Kong, rather than to listen to this great address on adoration of the Japanese. And I believe the Canadian people think as I do.

I want to give the hon. member for Vancouver East credit for his sincerity, because I believe he is sincere. He has been sincere in his arguments on behalf of the Japanese ever since he has been in public life; and for that I give him credit. But I suggest to him he should give us credit for being sincere in our arguments on the other side of the problem, without accusing us of racial hatred.

When I think of those men I saw over there today, some of whom lost both their eyes, others of whom lost both their legs defending us against Japanese, and when I remember that, while I was with those men, an argument was going on in this chamber, only some few feet away, in defence of the Japanese, who did their utmost to deprive us of the liberties we prize so much, I rather wonder.

We from British Columbia have never approached this matter from the racial angle. One reason I am so much interested in it is that the constituency of Fraser Valley is mentioned so often in this connection. I believe some of these farms are in my constituency, and some in that of the hon. member for New Westminster. About five hundred of them were in my riding. I am sorry to say it has not always been members of the C.C.F. who know so little about the Japanese. The only man I know in the House of Commons who knows less than the hon. member for Eglinton about the Japanese is the hon. member for Spadina. Both these hon. members are from Ontario.

It was the hon. member for Eglinton who brought up the hue and cry about selling the farms of the Japanese in the Fraser Valley constituency, and in that of New Westminster. As the hon. member for New Westminster has pointed out, if those prices were taken as of today, yesterday, or even a year ago they might not be considered equitable. But when we consider their run-down condition; when we consider that they were burnt-out, I think they were paid a reasonable rate. And, due to the excellent advocacy of the hon. member for Eglinton and the hon. member for Vancouver East, the people of Canada will pay many millions more.

Let me say this to my hon. friends opposite, through you, Mr. Chairman. I have a friend who worked in Hong Kong for the Canadian National Railways. He was seized and placed in a camp. No, he was not a soldier; he was an employee of the railways. That man was put into a camp, with the result that today his health is completely ruined. He is a physical wreck. Not only was he deprived of his property, his house and his furniture, but his bank account was seized and not one dollar of it has been returned to him. But not a murmur has been heard from the hon. member for Eglinton; not a murmur has been heard from the hon. member for Vancouver East to say that it should have been returned to him by the Japanese government. No, there has been not one murmur from either of them.

I admit that the hon. member for Vancouver East knows the Japanese problem, but the hon. member for Eglinton and the hon. member for Spadina know nothing about it. I defy any one of them to tell me that he is in favour of returning fishing licences to the Japanese of British Columbia. I defy any of them to tell me that—and particularly the hon. members from Saskatchewan who want these Japanese returned to British Columbia. I defy these great saviours of the human race, who believe that there should be no racial discrimination and who, in their own province, have less than 500 Japanese today!

I would speak a word to my hon. friends from Quebec. At the time of the war there were sixty-three Japanese in their province. My good friends from Prince Edward Island and the other maritime provinces did not know a Japanese from a Hindu; they had never seen one; yet they did wish to send them all back to British Columbia.

And let me right now pay a tribute to the Minister of Labour. I disagree with him on many things. It was only the other day that he did not refer to me in a flattering fashion. And I shall disagree with him on more occasions before I leave this house. I say, however, that no other minister has shown more human feelings in dealing with this difficult problem—and dealing so successfully with it—as has the Minister of Labour.

I give the hon. member for Vancouver East credit for sincerity in his belief. I sincerely believe that the most important reason why this legislation should be extended is that it is not for the benefit of the fishermen; it is not

for the benefit of the white people of British Columbia; it is for the benefit of the Japanese themselves.

Those of you who do not live in British Columbia do not know the Japanese problem as we know it. I never heard any question raised across the way when I pointed out in this house that we had a large power development in British Columbia which was supplying most of the power for our war industries during the war. Above that power development were located Japanese. After Pearl Harbor they had powder available in their hands to run down and destroy our dams. Not one word came from over there questioning that.

Mr. MacINNIS: Did they use it? Was it not to their credit that they did not use it?

Mr. CRUICKSHANK: I tell you the reason why they did not use it. My hon. friend has asked a fair and legitimate question and I am going to tell him why they did not use it. It was because of the challenge by such members as the hon. member for New Westminster, the hon. member for Vancouver North and the hon. member for Fraser Valley. They saw to it that it was not used but we did not have one assistant over there. I do not think you will answer that. I am not giving the government credit for that.

What I do want to impress forcibly upon the committee is the fact that unfortunately the majority of these farms happened to be in the riding of Fraser Valley. An attempt has been made in certain sections of Canada to discredit that riding. This was made by the united or some other service league which was sponsored by a cartoonist paid by the *Globe and Mail*, and he was supported by the hon. member for Eglinton and the hon. member for Vancouver East. It was said that all these farms were in Fraser Valley.

I know what I am talking about when I say that, in so far as the Fraser Valley is concerned, no doubt the time will come when we as Canadians will assume our fair share of the responsibility for the Japs who are within Canada, but we believe that it would not be to the best interests of the people of the Fraser Valley and especially of the Japanese themselves to have them return at this time.

Mr. NICHOLSON: Mr. Speaker, after listening to the hon. member for New Westminster and the hon. member for Fraser Valley speak on this subject tonight and on previous occasions, I am much happier to be standing with the hon. member for Vancouver East than with the hon. members across the way. I am sure that members of parliament, regardless of where they sit, must admire the stand taken by the hon. member for Vancouver East on this subject as it has been discussed through the years. I should like to refer to the salute given by Alan Morley, columnist in the *News-Herald* of Vancouver on April 28, 1944. Mr. Morley said:

> But every honest man in British Columbia should stand up and salute Angus MacInnis today. He is the first politician in British Columbia within living memory to stand by an unpopular cause unflinchingly when he knew it would cost him votes and political support.
>
> For my part, I'll argue against his socialistic fallacies till the air is blue, but I take off my hat to him as a man of honour, and one who is not afraid to stay on the side of decency and humanity when he has everything to lose and nothing to gain by doing so.
>
> No—I take that back. He has a great deal to lose in the way of popular acclaim and votes at the poll, but he has his own self-respect and the respect of honourable men to gain by sticking to his guns.

I feel sure that when the history of our period is written many will blush with shame when they think that Canada continued to have legislation such as we are discussing tonight when there were a few in the Canadian parliament who felt as did the hon. member for Vancouver East. A year ago there were a number of speeches on this subject. I think the hon. member for Cariboo discussed the question in a rational way. He used some of the evidence that had been used by Bruce Hutchison in the Winnipeg *Free Press*, a paper that supports the government. Mr. Hutchison wrote a cynical story telling of some Canadian Japanese who had returned to Japan to Christianize the people there. They were reminded by the people in Japan that they had been kicked out of Canada, and the story goes on:

> "Ah, but you do not understand the Christians," the missionaries will explain. "You pagans persecute minorities and hate other races because you believe in it. The Christians do the same thing because they don't believe in it and constantly denounce it. It is no sacrifice for you to behave in this barbarous fashion. But for a true Canadian Christian it is a deep and bitter sacrifice. It means sacrificing all his principles and all the teachings of his religion. Therefore, it is very noble of them. Greater love hath no man than this, that a man lay down his principles for his friend."

Then the hon. member for Spadina took part in the debate. He said:

> Let me prick the conscience of the committee. A hundred and thirty-one Japs served in the Canadian army.

He was referring to Japanese Canadians.

> A hundred and thirty of them were Canadian born; one was a naturalized Jap.

Mr. MITCHELL: What is the hon. member reading from.

Mr. NICHOLSON: From a speech delivered a year ago, to be found on page 2363 of *Hansard:*

Mr. McILRAITH: Why do not you write one of your own?

Mr. NICHOLSON: This is a much better speech than I could make. The hon. member went on:

> Some of them were wounded, and I believe some of them were decorated. We deny them the right to go back to British Columbia, to go back to a particular zone, though they may have come from that zone. That is going a very long way, and I point out to the committee how serious a matter this is. Certainly we are ahead of the United States with respect to that particular confinement. The most obnoxious racial laws which were ever passed in any country in the world, which were passed in nazi Germany, exempted for a time soldiers who fought on the battle front. Yet in endorsing this order in council we go farther than they ever went. I do not compare my government with them; I do not intend to make that comparison with any other government in this country, but on this Japanese question in all the democratic countries in the world we are now the foremost in racial discrimination.

The hon. member for Fraser Valley spoke this afternoon about being in the company of veterans who had lost their sight or who had lost limbs fighting for democracy. I ask him to tell me if he is proud of a country that denies to Canadian-born Japanese who fought for this country the right to travel freely in Canada? If democracy is worth saving in France and India and Egypt, I think it is worth demonstrating in Canada three years after the war that we really believe in democracy and freedom of speech and freedom of travel.

Mr. CRUICKSHANK: I protested strenuously against the enlistment of Japanese in the Canadian army, but I will go with my hon. friend and say that any man who served his country should be allowed to travel anywhere in Canada.

Mr. NICHOLSON: I hope the hon. member for Fraser Valley will vote with us when we register our protest.

Mr. CRUICKSHANK: I do not say all Japs. Will my hon. friend permit me to put it this way? Will I be permitted to vote against the freedom of movement of those who did not come into the war until after Russia had come in?

Mr. NICHOLSON: I think if we are consistent we must not make any distinctions on the basis of nationality, race or colour. People who have been born in this country, people who have spent their lives here should have every liberty, regardless of their colour, race or religion.

There is one other speech to which I should like to refer and I am sorry the hon. member for Stanstead is not here at the moment. I was sorry that he could not get more support when he spoke before. It is significant that in this Canadian parliament there are one or two Progressive Conservatives who are not afraid to stand up and express their views. The hon. member for Stanstead said there were no Japanese in his constituency. He was not concerned about political implications. He said:

> I have no one to reproach me but myself. I stand for the integrity of Canadian citizenship. Today it is the Japanese, tomorrow it may be the Jew; the next day it may be the Irish and the next day somebody else. Citizenship is a very sacred matter. Neither the few nor the many should be permitted to undermine it. For the first time we are being asked to depart from those things which have made us, I was going to say, a free people; for the first time we are asked to depart from the principles which the genius of two great races has evolved and which they have had the courage and the grace till now to apply.

I am not surprised that the hon. member for New Westminster and the hon. member for Fraser Valley should speak as they do. They are consistent. But I am surprised to find the Minister of Justice, who has established a reputation both nationally and internationally for a sense of justice and fair play, continuing for another year these objectionable orders in council. It is significant that the legislation we are now discussing will expire, in any event, by the end of March, 1949. It indicates a guilty conscience on the part of the government that they should select these orders in council and say: even though we might ask for a continuance of the emergency legislation for a longer period, these orders in council will be revoked. The Minister of Justice has represented Canada with distinction at the meeting of the united nations, and I ask him how, in the face of this discrimination, he is able to go there and support article 55 of the charter, which reads:

> With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the united nations shall promote:
>
> c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

The Minister of National Health and Welfare has also represented Canada at the united

nations, and I find it difficult to understand how he, with his traditions for fair play, can support his government in continuing these objectionable and discriminatory orders in council one day longer than necessary.

Mr. REID: What about Australia?

Mr. NICHOLSON: The Minister of Labour took us to Australia, Russia and the United Kingdom, but he did not take us to Canada in 1948 and tell us why on March 15 of this year the government of this country requires these veterans who fought for Canada—130 of them—to go to the mounted police to get a permit to go to Vancouver.

Mr. MITCHELL: Certain areas are declared out of bounds for soldiers and sailors very often; there is nothing new about that. I do not know whether my hon. friend was in the army, but those of us who have been in the army or navy know that sailors are often told: You cannot go down that street, it is out of bounds.

Mr. BROOKS: Is Vancouver out of bounds for the same reason?

Mr. MITCHELL: It may be.

Mr. NICHOLSON: Is it out of bounds for all veterans, no matter what their racial origin? Is it out of bounds for veterans of German origin, or veterans of Italian origin?

I would say in reply to the hon. member for Fraser Valley that, although we have not a large number of Japanese Canadians in Saskatchewan, we have not closed our doors to them. We are proud to have them. Those who are there are making a valuable contribution to the life of the province.

Mr. CRUICKSHANK: Why only 300?

Mr. NICHOLSON: A while ago the hon. member said 500.

Mr. CRUICKSHANK: It is 487 to be exact.

Mr. NICHOLSON: It is not my fault there are not more there. If more want to come to Saskatchewan to establish themselves there they will be warmly received by our people. This is a free country.

The hon. member for Nanaimo spoke a little more carefully this evening on this question than he did a year ago, but I was surprised that he should advocate continuing this injustice and letting the innocent suffer for another year, rather than righting the wrong now, when we should do so.

The hon. member for New Westminster said that C.C.F. members were elected in

[Mr. Nicholson.]

British Columbia in spite of the attitude taken by the hon. member for Vancouver East. That reflects credit on the people of British Columbia. I am delighted to know that a majority of the citizens there are not so irresponsible in discussing questions of this sort as the hon. member for New Westminster has been every time he has discussed this question in parliament.

Before this debate closes, I hope the Minister of Justice will indicate his support of the motion moved by the hon. member for Moose Jaw.

Mr. ARGUE: Before the motion is put, I should like to say one or two things about the order in council that is now before us. It seems to me that we have been confining our remarks to what has gone on in the past, instead of correcting mistakes and seeing that they will not happen again. I am glad that the government has seen fit to limit the operation of this order in council to April 1, 1949. Whether 500 Japanese for Saskatchewan is a fair quota to the mind of the hon. member for Fraser Valley I do not know, but I can tell him that there are more Japanese Canadians there now than there have been in the past. Some of them are working in the government service and are very well trained and doing a good and efficient job.

The province of Saskatchewan does not discriminate against members of the Japanese race or any other race. It passed a bill of rights in 1947, chapter 35 of the statutes of that year, guaranteeing human rights and fundamental freedoms to all peoples, irrespective of their racial origin. I think it is time the government got around to granting basic human freedoms to Canadian citizens, instead of simply setting up a committee of inquiry. I would ask the Minister of Justice this question, and I ask it because he was one of Canada's chief delegates to the united nations. Does he not think this order in council violates clause 3 of article 1 of the united nations charter?

Mr. ILSLEY: Not as a transition measure, no.

Mr. ARGUE: Then the minister would say that if it were a permanent policy it would violate that particular clause, and I might presume that is one of the reasons why a time limit has been set.

Mr. ILSLEY: That is not the question which is up here; but I certainly would say that, as a transition measure, it is just a matter of fixing the time when these restrictions should

come to an end. Is my hon. friend not arguing very much on the question of principle? The principle is decided here.

Mr. ARGUE: I am glad to hear the remarks of the Minister of Justice. I think the best thing for the government to do would be to adopt this amendment, which would remove discrimination.

Mr. ILSLEY: Just a minute. I was talking to somebody else when my hon. friend started his question. Was he talking about his amendment or the measure itself?

Mr. ARGUE: I asked the minister a question in terms of the order in council.

Mr. ILSLEY: That is what I understood him to say. It seemed to me that very good arguments have been advanced for the position that the Japanese who are in various parts of Canada after the transference, which is admitted to have been a good thing for them and a good thing for Canada, should be allowed a little further time to enable them to take root in the various communities before this is brought to an end.

Mr. ARGUE: Then the minister will admit that until Canada complies with clause 3 of article I of the united nations charter—

Mr. ILSLEY: No; my hon. friend is talking childishly, I was going to say.

Mr. ARGUE: I understood the minister to admit that.

Mr. ILSLEY: Not at all.

Mr. FERGUSON: May I ask hon. members not to forget the crocodile tears we shed after the first war with Germany, and not to be too lenient with these people who were our enemies in the last war. I ask them not to forget the atrocities perpetrated on our soldiers and the burdens which were placed on their shoulders, and a burden which they had to carry during the war because of the Japanese. I ask them not to forget the fear that went across this country on account of the Japanese. Let us hear a little more in this country about the great country we own and about the great men who are here, the great Canadians who built this country. Let us hear a little less talk or soap-box oratory with regard to a few Japanese. Let us formulate plans for Canadians in Canada and keep our powder dry, because we may soon have to use it again. Stop trying to breed discontent from coast to coast; stop weeping crocodile tears and stop disparaging people in their own country, people who built up the country. Instead of doing that, put your shoulder to the wheel, assume your burden and show that you are being a good Canadian. We hear too much talk in this house from a certain party advocating freedom of speech, freedom of this and freedom of that for people who recently have come out of a position where they would have cut our throats if it had not been for some members of parliament who represent various constituencies in Vancouver and throughout Canada. It is too bad we have to sit and listen in our time to that kind of stuff.

Mr. SMITH (Calgary West): Mr. Chairman, I stand to support the motion, not the amendment. May I say that I do that in spite of the reasons given by the Minister of Labour. In short, I put it this way: in spite of his speech, I am still in favour of his idea.

When he spoke this afternoon every reason he gave us indicated that the emergency was over. We now have an agreement with Alberta and, as he said, with some other provinces. The way we look at it is this. We have always heard, and I think it is true, that half a loaf is better than no bread. I agree with my hon. friends over here that the sooner we can end this thing, the better. But now for the first time we have a date fixed, with a definite ending. May I say, in compliment to the minister and to his staff, that I prefer to take their word, with all the knowledge they have of what the situation is at the moment, rather than that given by theorists immediately to my left, with no facts at all to support their position. Of course we can understand that. That is the role usually occupied by them. They are just running true to type. Therefore I intend to support the extension of the order, knowing as I do that it is cut down in its dimensions and it has only one particular application.

Mr. Chairman, I hope this world and particularly this country will always have idealists. The world will not get anywhere when we lose men with ideals, particularly men who are perpared to make sacrifices for those ideals. I compliment those on my immediate left, the socialist party, on having an ideal of complete freedom for everyone who has the right to call himself a Canadian citizen. But let us be just a little bit realistic. In 1943, or whenever it was that the order in council was passed, we had this situation. I commend and compliment the government upon their action. There was only one over-riding thought in the minds of everyone of us, and that was the safety of our country and of our government, more particularly the safety of ourselves and of our families. If the government had failed to take that step and events had run the other way I can quite imagine the ruckus that would have been raised by the people to my left on the failure

of the government to take common-sense steps at that time. Hindsight is a great thing. Frankly—

Mr. IRVINE: You ought to know; you have lots of it.

Mr. SMITH (Calgary West): My hon. friend has deteriorated greatly. He beat me in an election in 1921. I telephoned him and congratulated him on doing so, and I did not think such a childish remark would come from him at the present moment. However, if they insist on being children I suppose there is nothing that any of us can do about the matter.

But to continue, and to finish in one sentence, what I was saying is this. When we took that step parliament took it for the safety of the country. Perhaps they are prolonging the agony a little bit, but I say—and it may soon arise in this parliament in connection with another group of people—that when the safety of the state and the nation is at stake we take unusual methods, and I am proud of the unusual method taken by this government and by this parliament in this particular instance. It is true that the Japanese have turned out fine. Who would stand in this house during 1943 when we were in trouble and oppose this motion seriously? At that time our freedom and safety were at stake. This is a poor time now to exercise that hindsight of which the hon. member tells me I have lots. At least I remember 1921. It is a poor time to exercise hindsight and abuse the government. Take the speech this afternoon of the hon. member for Moose Jaw with respect to a few Japanese who are in that constituency. I know nothing about it except what I have seen in the papers. All I have read is that they will not get out, as 99 per cent of the other Japanese have done, and earn their living in a proper way. I know nothing more about it than that.

I do not like these letters from disgruntled people used by a member of this house when he will not put his reputation, and his position as a member, behind what he reads from a letter. I wish to tell you, Mr. Chairman, something further about the Japanese in Alberta. As you know, and no doubt as many other hon. members know, we have quite a few of them in our irrigated area around Brooks, Scandia and Rainier, where I do some shooting. I have been going there to do a little shooting —at least I have been aiming if I have not shot much—and I know that there are several families there who have adapted themselves to the conditions of farming in that area and are making money. I agree with what the Minister of Labour has said, and that is reflected in the balance sheet, showing the amount of wealth they have acquired as compared with the amount they had before. They have made for themselves a position in the community.

I do not want us to forget idealism. Let us stay with it and swear by it. But do let us get rid of a lot of nonsense which is preached here under the veil of idealism.

Mr. MacINNIS: I hope the Minister of Labour and other ministers are duly impressed with the touching faith which the hon. member for Calgary West (Mr. Smith) has in the correctness of government policies. I imagine we would get finished much more quickly if he could maintain that faith all through the session.

Mr. SMITH (Calgary West): How many times have I spoken this session?

Mr. MacINNIS: I do not object at all to your speaking. I was merely mentioning your faith in the correctness of government policy. It is so new a phenomenon that it touched me keenly, and I hope it also touched the ministers opposite.

What I rose to do, however, was to make a short reply to the member for Simcoe North (Mr. Ferguson). While I am on my feet, I would point out that not a solitary member who has risen in opposition to this amendment has touched the crux of the situation at all.

Mr. FERGUSON: Speak up. We cannot hear you.

Mr. MacINNIS: That is a new one to me.

Mr. FERGUSON: Lots of things are new to you.

Mr. MacINNIS: It is something new to me that people cannot hear me, because one of my chief worries is to keep from talking too loud. The question before the committee is not what happened at Hong Kong. The people whom we are discussing now had nothing to do with Hong Kong. The question is not what we did in 1942 or what we had to do in 1942. The question is simply this; is there any logical reason for restricting the right, not of Japanese but of Canadian citizens, in this way? My hon. friend the member for Simcoe North says, "Just a few Japanese". It is not a matter of just a few Japanese. It is a question affecting Canadian citizens, and the question before the committee is, can a logical reason be given, a reason that you would accept if it applied to you for restricting your liberty for one year longer than is necessary?

It has already been extended for a year longer than I think necessary; that is, from March, 1947, to March, 1948, and I am satisfied that there is no good purpose to be served by extending it for another year.

Most of the people I see around me are Christians, and consequently they believe in the precept of doing unto others as one would be done by. That being so, how many hon. members can stand up and say that they would not object to having their freedom restricted for a year or even for a day? I would not want to have my freedom restricted for another day, and I do not want to restrict the freedom of anyone else. There is here no practical issue involved that demands it. Therefore, until that practical issue is put before me, all this hocus-pocus of what has happened in the last five or six years does not amount to a hill of beans. It is irrelevant, all of it. What is important is the fundamental rights of Canadian citizens. If you cannot answer that question, just keep your seats.

Mr. McIVOR: This is the first time I have spoken on the Japanese question. I have heard a good many debates on the question, and perhaps one of the finest speeches I have heard was delivered by the former member for Comox-Alberni. I do not think anyone's mind has been changed by the debates in this house since that time, and I would say that the Japanese who have gone out from Vancouver and have been put to work in other places should be considered, and the question asked, whether they want to go back to Vancouver or not.

I said in another place that if you want to make the Japanese who are working on the great lakes sawmills ripping mad, tell them they have to go back to Vancouver. I think we have been long enough on this debate. Let us get on with the business.

Mr. KNOWLES: May I ask the Minister of Justice one question? I am not going to prolong the debate, because the hon. member for Vancouver East has expressed my sentiments. But my question arises from a remark made by the hon. member for Nanaimo as he sat down. He said that he accepted the government's decision to keep this order in council in effect for another year, subject to whatever decision they might make when another year rolled around.

An hon. MEMBER: He did not say that.

Mr. KNOWLES: It does not matter, but I understood him to say something that left a doubt in my mind as to what the decision of the government might be with respect to the question a year from now. My question is: Can we take it as ironclad that order in council P.C. 804 of March 2, 1948, which revokes P.C. 946 as of April 1, 1949, is irrevocable?

Mr. ILSLEY: The order speaks for itself. It is revoked as of April 1, 1949, and the government would be without power to revive it hereafter. The only way in which it can be extended beyond April 1, 1949, is by new legislation.

Mr. KNOWLES: Thank you.

Mr. GIBSON (Comox-Alberni): I cannot let the debate end without thanking the hon. member for Fort William for the kindly reference he made to my predecessor Mr. A. W. Neill, who, I am sure, was one of the very competent authorities on this subject.

Tonight there have been excellent speeches by a number of hon. members. I do not subscribe to the views of the C.C.F. party, but the speeches delivered by the hon. member for Fraser Valley, the hon. member for New Westminster, the hon. member for Calgary West, and the hon. member for Nanaimo expressed my view. The hon. member for Nanaimo comes from a constituency on Vancouver island adjoining mine, and he made a fair statement of the case as to the conditions and the sentiments felt by the people living on the coast of British Columbia. The ridings of Nanaimo and Comox-Alberni contained the greatest number of Japanese while they were concentrated on the coast, and I think the committee realizes that the hon. member for Nanaimo has a fair working knowledge of the difficulties that had to be faced in handling these people before the war and also during the war period.

When the hon. member for Vancouver East discusses a subject I am always impressed with his patent sincerity; but I must say his approach in this case was typical of the approach of his party to any concrete proposal. That approach is always academic.

Mr. MacINNIS: There was nothing academic about what I said tonight.

Mr. GIBSON (Comox-Alberni): It was definitely academic. We have a concrete problem before us, and your party always faces concrete problems in an academic way because you have had very little experience in meeting problems on your own responsibility.

I can only say that one of the most frequent expressions I hear in my riding is, "Thank God we had Humphrey Mitchell handling this problem during the war." I was surprised, to tell the truth, to see the hon. member for Moose Jaw once more undertaking to lead the C.C.F. party in a debate on the Japanese question. I have no reason to believe his knowledge is any greater tonight than it was last year, and at that time I said I did not think he would know a Hottentot from a

Japanese. Since then I have seen something in the headlines about some sort of fiasco stirred up in Moose Jaw over a few Japanese who would not leave the excellent accommodation provided by the government. From reading the newspapers it would seem to me that these Japanese were a bunch of martyrs. I quite agree with the hon. member for Calgary West, however, that if these people think they are going to live forever at government expense it is time someone smartened them up. I really do not think the hon. member for Vancouver East or the hon. member for Moose Jaw are doing the Japanese a service by practically encouraging them in the attitude they take.

Mr. THATCHER: I am sure the hon. member wants to be fair. All these Canadians want to do is go home.

Mr. GIBSON (Comox-Alberni): I noticed that the hon. member for Vancouver East complained about these Japanese being kept from the coast. I can understand their position; no one likes to be kept away from any place where he wants to go.

Mr. MacINNIS: I did not say a word about the Japanese being kept away from the coast. I complained about Canadian citizens being refused permission to travel anywhere in this country.

Mr. GIBSON (Comox-Alberni): Well, all right; let us call them Canadians of Japanese origin. It seems to me that hundreds of thousands of Canadian boys were forcibly removed from their homes and sent to Europe for six or seven years, during which time they were definitely in a much more precarious position than the Japanese ever were in this country.

Mr. MacINNIS: But the war is over now.

Mr. GIBSON (Comox-Alberni): The hon. member for Fraser Valley touched upon a vital point. We have heard a great deal of discussion here about the way in which advantage was taken of the Japanese as far as property was concerned; how they were dispossessed of their property, and were not paid a fair price. I believe the hon. member for Fraser Valley had the answer. In 1942 you could not have given anyone in Saskatchewan a farm in the Fraser valley. They did not have enough nerve to go and live there; and it would not have been wise to go there. As far as the Japanese fishing boats on the Pacific coast are concerned, let me tell you they got an inflated war price for those boats. It is true that it was not the price they would get today, but values have almost doubled in all lines since that time. There have been isolated instances where these people have had a bad deal, I know, and that is why I supported the setting up of a committee to deal with these matters. When anyone values this property on the basis of today's values and compares that with the valuation when the Japanese left, in 1942, he is not being fair either to the government or to the taxpayer, to whom, after all, the government must be responsible.

In the interests of these people, these Canadian citizens of Japanese origin if that suits the hon. member for Vancouver East better, it seems to me that it will be better if they are kept away from the coast for another year. I can only tell you what I know of my own people, but I can say they are still bitterly opposed to the Japanese. Time cures many things, and I sincerely hope it will cure this situation also, because I have no desire to see race prejudice of any kind perpetuated in Canada. In closing, however, I wish to express the thanks of my constituents to the Minister of Labour for the excellent job he did during the war and the excellent job he is doing today.

Mr. HLYNKA: I should like to ask the Minister of Justice a question, and his answer will determine the way I vote. Is it desired to extend this order in council for another year for the purpose of defence, or is it simply a transitional measure? If it is a precautionary step which may be necessary for our future defence I will support the extension of the order in council, but if it is only a transitional measure I am afraid I shall have to vote against it.

Mr. ILSLEY: It is a transitional measure.

Amendment negatived on division: yeas, 23; nays, 73.

Mr. ILSLEY: Perhaps we had better take the Department of Fisheries now. We need not necessarily have any discussion on these orders in council, but I want to mention them so that, if there is any desire to do so, they may be discussed. If not, we can pass them over and take up something in which we are interested. There are just two orders in council under this department. One is an order in council enacting the pelagic sealing regulations. These are the subject of a bill already introduced in this parliament, and this order in council will be revoked when the bill becomes law, so that it is of temporary duration. The other is an order in council relating to fishing licences, which terminates on the same date as the order in council I have just mentioned.

Mr. PEARKES: If no objection is taken to the extension of this order in council regarding sealing, it would not commit us to supporting the bill which will be discussed later?

Mr. ILSLEY: Oh, no; no hon. gentleman is committed in regard to the bill by his attitude in respect of this order in council.

Mr. MacINNIS: It is not my intention to say very much in regard to order in council P.C. 251, because the same arguments apply here that applied to P.C. 946.

Since the committee seems to be in favour of equal rights for all Canadians at some time in the future, I imagine they would vote any amendment to this order down as well as the other one. But I should like to draw the attention of the committee to how orders in council, when they are carried on like this, can be misused. The situation today has no relation whatsoever to the wording in the operative section of this order in council, the last paragraph of which reads:

Now therefore His Excellency the Governor General in Council on the recommendation of the Minister of Fisheries under the authority of the War Measures Act, chapter 206, revised statutes of Canada 1927—

And note here:

—for reasons of national defence and security during the period of the war is pleased to order and doth hereby order that no fishing licence authorizing fishing in or off British Columbia as contemplated by the Fisheries Act, chapter 42, 22/23 George V and regulations adopted pursuant thereto shall be issued to persons of Japanese racial origin and also that no such person shall be permitted to serve on fishing vessels.

Here we have an order in council passed for reasons of national defence and for reasons of security during the period of the war, which is now being carried on for more than three years after the war. And for what reason? I have been asking that question all evening: For what reason? What is the reason for restricting the rights of Canadian citizens, three years after the war is ended, by an order in council passed for reasons of national security and national defence during the period of the war?

There are so many lawyers in the house who can make wonderful speeches on practically nothing, I would say to them that here is a fundamental issue.

Mr. WARREN: Do you include yourself?

Mr. MacINNIS: No; I am a modest person and would not think of putting myself on a level with the lawyer spell-binders in the house. But I am posing a fundamental issue in this order which, no doubt, we are going to pass as if it did not affect anyone, and which it does not seem to be worth anyone's time to get up and talk about. Let me point out again that this order in council was passed for "reasons of national defence and security during the period of the war." The war is now over. By the time this order comes to an end on April 1, 1949, the war will have been over for almost four years. I would ask somebody to give me some reasoned explanation for conduct of that kind.

Mr. MITCHELL: The reason is simple. What is the use of giving a person a fishing licence if he cannot go into the protected area where the fishing is done.

Mr. MacINNIS: That is a reason?

Mr. MITCHELL: It is just as simple as that; you do not need a constitutional lawyer to give that reason.

Mr. MacINNIS: Yes; there we have the reason. First of all we have an order in council passed for purposes of defence that restricts the freedom of people, to move about as they wish, to restrict the movement of Canadian citizens of Japanese origin to the Pacific coast of British Columbia. Then the Minister of Labour, with that logic of which only the Minister of Labour is capable, says that, because you have refused Canadian citizens the right to go to British Columbia, there would be no use in giving them a licence to go fishing off the coast of that province. I agree that the explanation is a wonderfully simple one. In fact I am sorry it is so simple.

Mr. MITCHELL: It is so simple—but my hon. friend likes things complicated.

Mr. MacINNIS: Oh, no.

Mr. MITCHELL: Some people make things so complicated they cannot understand them themselves; but they think the other fellow should. This is simple enough. If they cannot get into the protected areas, then they cannot fish in them.

Mr. MacINNIS: I would like the Minister of Labour to see the point.

Mr. MITCHELL: Make it complicated, and I will understand it.

Mr. MacINNIS: I suppose I might as well give up. The minister cannot understand why a person should object to the continuation of an order in council such as P.C. 251 because, forsooth, the government have already passed an order in council which takes away the freedom which could be enjoyed if P.C. 251 was rescinded.

Mr. MITCHELL: You are getting as bad as the lawyers.

Mr. MacINNIS: Well, one thing I am glad of is that I am not as bad as the Minister of Labour. I never heard anything quite as daft as that argument.

I notice that the Minister of Justice, with his usual good sense, has kept his seat and has not tried to explain an order of this kind. I admire him for that. Indeed, I have admired him for years for his integrity in the house and for his insistence upon not doing or saying anything unless he was sure he was right. I am glad tonight he is not departing from that practice.

Mr. SMITH (Calgary West): I agree very largely with what the hon. member has said. The Minister of Labour took time out to prove that the emergency was over, when we were discussing the last item. We supported the order in council. I did so, because I could see it ended there. All these things are passed as emergencies. I quite agree with the hon. member for Vancouver East that some of these days we should know what kind of emergency we are facing, now that the war is over. The technical answer may be that the treaty of peace has not yet been signed. Even so, I intend to support this order in council, because I think we are now beginning to see the end of this picture.

Once again may I say I support it for reasons not yet given by the government; because their reasoning has proved that there is no emergency. Yet in a matter of emergency I hear them say, "We see the end of that emergency." I take their word for it, and I therefore support this order in council.

Mr. MITCHELL: Carried.

Mr. KNOWLES: On division.

The DEPUTY CHAIRMAN: What is the next order?

Mr. ILSLEY: Orders in council of the wartime prices and trade board.

Mr. KNOWLES: I have just a brief word to say in connection with the order in council setting up the wartime prices and trade board, which is P.C. 8528 of November 1, 1941.

What I shall have to say is in reply to what was said this afternoon by the Minister of Justice. He will recall that at that time I placed before the house a motion which would have given the committee power to put another section into this bill making it necessary to keep in existence the wartime prices and trade board machinery for the full year

[Mr. MacInnis.]

this bill is to be in force. The minister objected to the substance of my proposal, and did so on several counts.

One of the remarks he made was that it was an empty gesture. I did not take the time of the house to reply at that time; indeed I should imagine I did not then have the right to do so. I want to say a word in reply to it now.

In attempting to make clear what he meant by calling my motion an empty gesture, the minister said that even if my proposed amendment to section 4 of the act were accepted, which would thereby prevent the government from revoking the wartime prices and trade board orders in council, it would still be possible for the wartime prices and trade board, under the authority of the order, to revoke all price controls and do away with all price ceilings. What the minister said is quite correct, but I want to point out now that there is another side to the coin.

So long as the order in council itself is in force, in other words so long as the wartime prices and trade board is in existence, not only can it do away with price ceilings that are in existence, but it can reimpose price ceilings when it appears to the government that such reimpositions are necessary. I remind the minister and I remind the committee that that was done last fall in connection with a number of items when the situation seemed to be getting out of hand; it was done also on the price of butter, although at a pretty high level. At any rate the wartime prices and trade board brought back, by orders of the board, price ceilings and mark-up controls which had been done away with.

If the basic order in council setting up the wartime prices and trade board had been revoked by the government the board would not then have been in a position to reimpose those price ceilings. The minister is quite within his rights in objecting to my proposal on other grounds. I know he takes a constitutional position with which I do not agree, because I do not think this can be considered in terms of national emergency. I see it in terms of something that is of concern to the people of Canada as a whole, something over which in my view the federal parliament has control. My colleague, the hon. member for Kindersley, has effectively developed that argument on a number of occasions. I submit that it was not quite like the minister of Justice, and I believe if he would think it through a little further we would not press the point that my proposal this afternoon was without meaning.

The effect of my proposal was that the basic order in council should not be revoked because the Minister of Finance might some day want to go a little farther along the pathway of decontrol which would then get this country into a position where even the government, if it wanted to, could not reimpose price ceilings that might be desirable to the government as well as to the people of Canada.

The house settled the issued with the vote this afternoon, so that I do not propose to take up the time of the committee in trying to move the amendment at this stage. Obviously, if the house would not give permission for the committee to move the amendment, the committee would turn it down now. Perhaps this is the last debate that we shall have on the wartime prices and trade board, and I want to say that in our view the government has failed the people of Canada in its policy of decontrol. In our view the government has wiped out the wonderful record in terms of price control that it established under the direction of the Minister of Justice when he was Minister of Finance during the war, and the government will hear about it yet in the one way that governments hear about things in due course.

In the meantime I want to register once again my protest at the speed with which the government has taken the people of Canada down the pathway of decontrol. I am sorry the house did not see fit this afternoon to pass the motion that I made, so that we might have been in a position to make sure that the wartime prices and trade board would be kept in effect, at least for the lifetime of this bill.

Mr. ILSLEY: My hon. friend has made an ingenious argument in favour of the principle of the amendment he moved this afternoon. As he says, this probably is the last chance. He has tried to argue that there was some merit in the position that he took this afternoon. It is certainly threshing old straw for us to go over and over this again. How would it secure the purpose that my hon. friend apparently is interested in, the compelling of the government to desist from price control? He says that at least it compels the government not to get rid of the board.

The government certainly would not be getting rid of the board unless they were determined not to impose any more controls. Of what avail would it be to keep an empty shell there for a year if the government decided not to use that shell? That is all the amendment of this afternoon would have done. The government would certainly never decide to do away with the board unless they decided to do away with controls. For my hon. friend to have some glimmer of hope that, by forcing them to keep the shell there, some way or another he would influence their conduct, is an illusory thing altogether. That is what I meant by saying that it was an empty gesture.

Mr. KNOWLES: Even a glimmer of hope with respect to the government is illusory.

Mr. ILSLEY: I am talking about the hope that this sort of formal technical move such as the amendment of this afternoon would have any effect upon government action. I explained that all a year ago and I have explained it again now. Any government, this government or any other, would act on a different principle altogether. They would act on the substance of the thing. If they felt the occasion required slower decontrol, they would move more slowly in decontrolling. But they would take abundant caution against getting rid of the machinery that would be necessary for decontrol. I am merely meeting my hon. friend's laboriously built up argument which he has just put forward to justify the technical move he made this afternoon.

I do not feel like letting all these compliments to myself go by at the expense of somebody else. I do not feel like accepting them. I think my hon. friend is completely underestimating the importance of the impact of forces which finally got beyond control. It is open to my hon. friend to argue that we should pour out great sums by way of subsidies as they still do in the United Kingdom and in some other countries. That would and could have kept down the prices of some goods at the expense of the treasury. But, as I said before, I do not think it is a good policy. I am sure it is not a permanent policy and I know it is a very dangerous policy.

As I said in another debate, I think people in positions of authority in other countries are disposed to congratulate the government of Canada on having the courage to disentangle themselves from the jungle of subsidies before it choked them, before it choked the taxpayers and the people of the country. That is the only practical thing to do. To try to control prices along the lines they were being controlled a few years ago under conditions such as existed then is to attain the impossible. By the pouring out of subsidies there could be some transference of purchasing power from certain Canadians to other Canadians but, for the reasons I have given repeatedly, I do not think that is desirable.

Mr. KNOWLES: I agree with the minister that what counts in this matter is the substance rather than any formal proposal put before the house, and it is not my intention to say anything further about the proposal that has been voted down by the house. But I want to say this to the minister. He uses the phrase "threshing old straw" and may feel that he can apply that to the proposals and the arguments that we have put before the house in our fight in this matter over the past two and a half years, but I can tell him that it is not old straw so far as the people of Canada generally are concerned.

Mr. KUHL: How can you speak for all the people of Canada?

Mr. KNOWLES: It is not long since 76 per cent of the people of Canada recorded themselves in a Gallup poll as favouring the continuation of price controls and subsidies. I simply say to the former minister of finance, without embarrassing him by any further compliments, that it was this government's own practice during the war which educated the people of Canada in the possibilities of this means of keeping down the cost of living and of distributing, as the minister has just said, the wealth of the people of this country to a certain extent. We have had so many motions and amendments turned down in this house that members are beginning to treat it as though it were a case of threshing old straw, but it is still a pretty important measure to the people of Canada.

The CHAIRMAN: We will take up the next order.

Mr. MacNICOL: I have a question to ask with reference to P.C. 9029, 21/11/41. A house owner in Toronto who owns two buildings rents one for $45 a month and supplies the heat. The man and wife to whom he rented it have sublet every room in the house but one. The tenant and his wife live in that one room and have sublet all the other rooms to tenants from whom they receive $196 a month. The owner has asked me what means of redress he has. He cannot get any more rent, and the coal he buys to heat the building has advanced in price at least 50 per cent. What can that owner do?

Mr. ILSLEY: There is a board order, 294, section 7(1)(d) which allows an application for an increase of the maximum rent if the $45 is lower than the rental for comparable property in the neighbourhood. Paragraph (f) of the same section allows a ten per cent increase because of subletting.

[Mr. Ilsley.]

Mr. SKEY: Would the minister give the date of that order?

Mr. ILSLEY: October 1, 1943, but there have been many amendments since then.

Mr. MacNICOL: How would this owner get redress? He cannot put the tenants out and he cannot get possession of the property. The tenant is collecting almost four times as much rent from his sub-tenants as the owner of the property receives.

Mr. ILSLEY: Would my hon. friend mind giving the chairman of the board a ring in the morning and putting the case to him and getting a reference to the relative sections?

Mr. MacNICOL: Yes, I will do that. Thank you.

Mr. SKEY: The case that has just been put by the hon. member for Davenport I can assure the minister is one of frequent occurrence in a great many cities in Canada. There are many similar cases which I have had referred to me, in which it is very difficult for the property owner to get anything approaching justice.

But I want to speak tonight particularly of the rooming-house operators. They submitted a brief and representations to the Minister of Finance, and I should like to put some of their representations on record because they will be of interest to the minister and the members. On January 28 they wrote the Minister of Finance and the members of the house, and among other things they said:

> The rentals act fails to benefit either the roomer or the landlord when it is applied to renting furnished rooms.

They acknowledged Canada's housing prices and their own assistance in alleviating that crisis by renting rooms. They refer to the time during the war when the government appealed to people with space in their homes to rent accommodation, and they cite the fact that immediately afterwards tenants were frozen, and the rooming house operator was unable to remove even the small percentage of objectionable tenants. They ask that the rental controls be drastically amended as far as rooming house operators are concerned.

Their main point is this, that while the owner of a property which is used as a rooming-house is permitted an increase of ten per cent in his rent, the rooming-house operators are allowed no comparable compensation in respect of their roomers. At the same time the rooming-house operator is faced with all the current increases in costs, fuel, repairs, service, light and all these other things that

go into the running of a home. These expenses have increased substantially in the last two years. They ask respectfully that the regulations be amended to permit them at least a comparable rental increase with that of their own landlords; they ask for some alleviation of the six months' freezing order, which it takes to remove what are, in many cases, obnoxious tenants. They do not ask point-blank that the controls be taken off. They are too conscious of the situation in Canada today to want to produce a bit of bad citizenship such as that; but they do ask that at least they be allowed the same increase in rental that their landlord has been allowed, and some alleviation in the eviction controls which will permit them at least a little control over the type of tenant that they have in their homes. They point out the increase in the cost of all furnishings, supplies and necessities, which are all borne by the rooming-house operators.

I should like to put on the record for the minister the fact that this organization has submitted the names of operators in twelve major cities in Canada. The cities are, Montreal, Winnipeg, Windsor, Quebec, Vancouver, Halifax, Kingston, London, Hamilton, Ottawa, Toronto and Barrie. This organization spreads all through these cities, and if they had had time I know they would have had even more. Let me give some examples of what they are suffering today. In one letter we find that a single woman rented a room. She was married and brought her husband to live in the same accommodation and not even a minor increase in the rental was allowed. In another case a woman has a roomer, and since the advent of this roomer into her house she has found that articles have disappeared, her own articles from her own home and articles of other roomers; yet it takes her six months to get rid of this tenant whom she believes to be obnoxious. The rentals board advise her that she must either give the six months' notice or prefer a charge, and unfortunately she has no proof.

In another case we find a man who served five years in the air force. He took over a rooming house. The rent was $70, with the lighting costing $4.50 a month. He now finds that he has to pay $84 a month rent and $24.90 for his light for two months. The price of his coal has risen from $10.90 a ton to $15.90, and at the same time he can get no increase in rentals from his roomers. Those cases are all authenticated on the files of this organization.

Here is the case of a woman who was mentally deranged. She was placed in a home by the welfare agency of that city. It took the owner of the home six months to remove her from the premises. There are other examples, but I will not quote them all, except to say that this freezing order has had an unfortunate result in so far as accommodation is concerned. It has meant that when rooms have become vacant the owner of the accommodation will not rent them again in a great many cases. Apartments become vacant, and the owners of the apartment are not willing to rent them again, because they have had such trouble with tenants under this freezing order. I made recommendations to the Minister of Reconstruction and Supply when he was in charge of this. I am not going to do so now. I am putting these facts on the record to call it to the attention of the minister. In all seriousness, I say to the minister and to his officials who sit in front of him, that if, in this time of acute housing shortage, you want to do something to help out you should consider these facts that I put before you tonight and do what you can to alleviate the situation in which not only rooming-house operators but owners of a great deal of vacant accommodation in Canada find themselves.

Mr. MANROSS: Are not rooming-houses permitted to increase their rates the same as hotels? The Chateau Laurier has increased its rates 33⅓ per cent. Would not rooming houses have the same privilege?

Mr. ILSLEY: The answer is no, they have not.

Mr. TIMMINS: Since these consolidated orders were passed last year, there was a certain amendment made with respect to the rental order. One of these orders was to the effect that, in respect of residential properties where there was extreme hardship, the owner might apply for relief to a commissioner. In respect of these applications a good number were granted and relief was given to people, having regard to sickness, infirmity and a number of other reasons. However I do not believe that the amendment which was made to the order went far enough, because it left out almost entirely the case of the returned man who had a home of his own and who was not able to get in, who had bought a place since he came back from overseas and wished to get in. Probably he could not show extreme hardship because, under the order, financial matters are not a factor. Could not some consideration be given at this late day now that the war has been over for such a considerable period whereby a returned man who

has bought a place and who has not by reason of extreme hardship been able to prove to the commissioner that he should have possession but who, on the other hand, for financial reasons, probably cannot continue the house unless he gets possession of it? Some consideration should be given to that problem now, particularly in the case where the veteran asks for permission to get in his home and shows that just as many people would go into the home which belonged to him as would be vacated by reason of the order to be made in his favour. I see in front of the minister one of his assistants who has had a good deal to do with this matter in the Toronto district for a considerable number of years past. I am sure that he must have some answer to that pressing problem.

Mr. MICHAUD: I should like to ask the minister—

Mr. TIMMINS: Can we deal with this one matter first?

Mr. MAYHEW: There have been set up in Canada about forty different commissions to deal with hardship cases. Where an individual represents that he has a large family and that somebody else is occupying his house with a small family, both parties appear before the commissioner who, in many cases, visits the home and decides to whom the house should go. In other words, the house goes to the one whose hardship is the greater. That would be the same with the returned soldier. If he were actually in greater need of the house than the person occupying it he would get it.

Mr. TIMMINS: That is not a sufficient answer because, if I may say so, it is not quite the fact. So far as extreme hardship is concerned, the commissioners have held—and there is nothing to bind them in the amendment made—that extreme hardship does not take into consideration financial matters, and therefore the veteran who is bothered more by financial considerations than anything else cannot get into his own house. Some consideration should be given that. I have known hundreds of applications granted on the ground of extreme hardship owing to a large number of children, or to the fact that people were living in a garage, or that they were infirm and almost on their death bed when they made their application. In such cases relief was granted. But the veteran who does not receive too much money gets no relief on the ground of extreme hardship.

Mr. KIDD: I wish to bring to the attention of the minister another case that I submitted to the minister of reconstruction in the veterans affairs committee in 1945. It is a disgrace that veterans of the last war are subjected to treatment of the kind meted out to one man in particular whose case I have in mind. He went overseas and served for five years. At the time of his enlistment he was an attendant in a hospital in Ontario—in Kingston as a matter of fact—and was in receipt of $100 a month. He left his wife and four children, the eldest a girl then about fourteen or fifteen. I may say, by the way, that I have also brought this case to the attention of the officials. This man remained overseas for nearly five years. Living in a four-roomed apartment, this family pay the small sum of $15. I mention that for the reason that the quarters were not luxurious. After five years overseas he comes back, his family having played their part. He had assigned pay and separation allowance; they accumulated what they could; his children helped by selling newspapers, and he purchased a piece of property about three years ago. Then he went back to his old position at about $100 a month. This man is not only a tenant but now a landlord. I spoke to the Minister of Trade and Commerce, then minister of reconstruction, and an appeal made to the board was turned down. These veterans deserve some consideration. This man came and saw me personally and his girl is now twenty or twenty-one years of age. They are living in four rooms under conditions to which they should not be subjected, through no fault of their own but through the fault of government controls. I simply wish to put this on the record. If anyone looks up the files he will find that I wrote to the minister with reference to the matter.

Mr. MICHAUD: I should like to ask the minister a few questions. In the first place, I wish to know whether it is contemplated to decontrol further in the case of persons who have purchased houses with the intention of taking possession. I am aware of this order in council which was passed some time in August, where the hardship argument applies; but from the experience I have had in court it does not work out in the way I have heard suggested tonight. It is not a question of either the tenant or the landlord suffering the greater hardship. The landlord has to prove hardship on his own part and to disprove hardship on the part of the tenant. I have had quite a bit of experience in court in this connection and I do not recall a single case where the landlord got anywhere. I could take up the time of the committee in discussing these cases but I will dispense with that. I think that in the near future we should reach the stage where a person who bought a house in 1947 with the intention of occupying it should have the right to

possession of that house as if the purchase were prior to July, 1945. I do not believe the hardship argument is of any great value to the landlord. It may apply in one case out of twenty. I have other questions I should like to ask but since it is eleven o'clock, I move the adjournment of the debate.

Progress reported.

BUSINESS OF THE HOUSE

Mr. BRACKEN: What is the program for tomorrow?

Mr. ILSLEY: The business for tomorrow will be: second reading of the New Westminster harbour commission act; then the measure we have been dealing with today; then continuing the debate on the second reading of Bill No. 135, the Canadian Wheat Board Act; then the resolution to amend the Agricultural Products Act; and, if there is time, committee of ways and means on the excise measures of the Minister of Finance. With regard to the last three items I have given, there may be some variation in the order in which I have given them.

Mr. KNOWLES: This one comes first?

Mr. ILSLEY: After the New Westminster measure.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, March 16, 1948

The house met at three o'clock.

GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter from His Excellency the Governor General, signed by his own hand:

Members of the House of Commons:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Alexander of Tunis.

Government House,
Ottawa,
March 15, 1948.

PRIVATE BILL

FIRST READING—SENATE BILL

Bill No. 146, for the relief of Elizabeth Frances Mary Liddle McClelland.—Mr. Maybank.

BUSINESS OF THE HOUSE

INTERIM SUPPLY

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): May I ask the Minister of Finance if he is expecting before the Easter recess to ask for interim supply for any portion of the coming fiscal year?

Hon. DOUGLAS ABBOTT (Minister of Finance): I am not quite sure, but I think not.

INCOME TAX

FARMERS—NET WORTH PORTION OF RETURN

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): I should like to ask a question of the Minister of National Revenue. Is he aware of the widespread opposition in western Canada to the net worth portion of the prairie farmers' income tax form, and of recent resolutions passed by farm organizations recommending that farmers should decline to complete this portion of the form? If so, would the minister consider modifying or withdrawing that portion of the prairie farmers' income tax form?

Hon. J. J. McCANN (Minister of National Revenue): I thank the hon. member for his giving me notice of his question. I am aware of some opposition in western Canada to the net worth portion of the prairie farmers' income tax form. I doubt very much, though, whether resolutions have been passed by farm organizations recommending that farmers should decline to complete this portion of the form. For farm organizations to advise their members to make protests against the form is a different thing entirely from declining to fill them out.

For the hon. member's information, however, I may say that the whole matter of the form is under consideration, and, as I indicated yesterday, a statement will be made in due course.

Mr. ZAPLITNY: The minister seems to doubt my word as to whether such resolutions were passed.

Mr. McCANN: No.

Some hon. MEMBERS: Order.

Mr. ZAPLITNY: On a point of order, Mr. Speaker, the minister seems to doubt the accuracy of what I said. May I say to him that I have a copy of such a resolution passed by a farm organization in Manitoba.

Mr. McCANN: I am sure the hon. gentleman misunderstood my statement. I said that to counsel farmers to decline to obey the regulations or the law was a different thing from advising them that if they so wished it was within their rights to make protests against the form.

PRAIRIE FARMERS INCOME TAX GUIDE

Mr. J. W. BURTON (Humboldt): I should like to direct a question to the Minister of National Revenue. Is the minister aware that many farmers are finding it difficult, if not impossible, to obtain copies of the guide to assist prairie farmers in making out their

income tax? If so, will he take steps to see that the situation is remedied?

Hon. J. J. McCANN (Minister of National Revenue): We have no such information as the hon. gentleman has indicated. On the other hand, the first distribution was for 300,000. So eager were farmers to get the guide that we had another reprint made and to date there have been over 700,000 copies distributed. Copies are available at all income tax offices and post offices in all constituencies.

Mr. BURTON: The minister says that he has no such information, but I would tell him that I have several letters on file from farmers who drove fifteen to twenty miles over most difficult roads and then found that they could not get copies of the guide at the post office.

REFUNDABLE PORTION OF INCOME TAX—INTEREST TAXABLE

Mr. E. B. McKAY (Weyburn): I should like to direct a question to the Minister of National Revenue, a copy of which I have sent to him. Will the refundable portion of income tax now being mailed out by the Department of National Revenue be considered as income for taxation purposes for 1948?

Hon. J. J. McCANN (Minister of National Revenue): The refundable portion is not taxable, but to the extent that there is an interest element, that is taxable.

HOUSE OF COMMONS

TRANSPORTATION OF MEMBERS VISITING CONSTITUENTS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, as the Prime Minister will perhaps move the motion this week for the Easter adjournment, I should like to raise a question. I was going to do it as a question of privilege, but perhaps it is a combination of privilege and question to the government. I should like to refer to a suggestion which I made on December 12 when the pre-Christmas session was in progress. At that time I asked the government to give the matter consideration—and I think a suggestion of this kind perhaps comes more appropriately from a member who lives in central Canada than it would from one residing in a far distant part. This is the suggestion I want to make by way of privilege and question, and I quote from what I said on December 12, as reported on page 221 of *Hansard*:

A number of hon. members who come from far-away places to attend sessions of parliament have been from time to time most anxious that some means of quick transportation, not at their own expense, should be provided for them, so that they might be permitted to return to their homes from time to time during long parliamentary sessions. I believe people throughout the country would be pleased if some arrangement of that kind could be made.

I offer the suggestion because I come from the central part of Canada and would not be affected by any such arrangement. However, we would like to see justice done in respect of those from farther away.

The Prime Minister—at page 222—was good enough to answer me at that time as follows:

Mr. Speaker, coming also from the central part of Canada, I shall be glad to bring my hon. friend's suggestion to the attention of my colleagues, and see if we cannot arrive at some satisfactory arrangement.

A prominent member on the other side of the house has told me that even with the proposed longer adjournment at Easter he will have less than one and a half days in which to visit his constituents. A closer relationship between member and constituent is better for both member and constituent. The influences of geography ought to be reduced and minimized as much as possible. I think it would be in the interest not only of hon. members but of their constituents if some arrangement could be made by which something approaching the same kind of service as between constituent and member could be made possible in the far away parts as is possible in central Canada. I ask the government to give consideration to this suggestion.

EXPENSES OF MEMBERS TRAVELLING BY AIR

Mr. SOLON E. LOW (Peace River): I should like the Prime Minister, either tomorrow or when he moves the resolution concerning the Easter recess, to make it clear to the members of the house just how far the expenses of hon. members will be taken care of, particularly when part of those expenses apply to air transportation for those who have to travel some distance.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall endeavour to meet my hon. friend's wishes in that particular.

UNITED STATES TARIFF

ADDITION OF 25 PER CENT TO VALUE FOR DUTY OF GOODS EXPORTED FROM CANADA

On the orders of the day:

Mr. H. W. TIMMINS (Parkdale): I should like to ask a question of the Minister of Finance, of which I have given notice. Has the government taken any steps to have relaxed the adverse customs duty of value plus 25 per cent domestic tax now charged against Cana-

dian products entering the United States where such products are in the enumerated list under the excise tax resolution now before the house, and, if so, what steps?

Hon. DOUGLAS ABBOTT (Minister of Finance): A similar question was asked me in committee of the whole on the excise tax resolutions, and my hon. friend will see the answer I gave on page 2131 of *Hansard*. If the information he wishes is not there he can ask me a supplementary question.

WARTIME HOUSING

QUESTION AS TO NOTICE TO TENANTS TO BUY OR VACATE

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I wish to ask a question of the Minister of Reconstruction and Supply, based upon information I have received from Montreal, Fort William and other parts of Canada concerning tenants of Wartime Housing units now under the administration of Central Mortgage and Housing Corporation. Are any tenants of Wartime Housing in any part of Canada now under notice to buy or vacate their houses? Will the minister make a full statement on the matter, and will he give an assurance that no evictions will take place until the house has had an opportunity to consider his statement?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): I made a statement previously on the subject in reply to a question by the hon. member for Kamloops having to do with housing projects in Montreal and the answer I gave them applies to the question he has just asked. Whenever Wartime Housing undertakes to sell a housing project there is some changing about of tenants in that the purchasers are allowed to choose the houses they desire to buy, but as I said previously, no tenant is left without a house. There may be a matter of a tenant being asked to move to another house in the same area, but in no case is a tenant left without a house.

GOLD MINING INDUSTRY

INQUIRY AS TO FINANCIAL ASSISTANCE

On the orders of the day:

Mr. ROLAND BEAUDRY (St. James): I should like to direct a question to the Minister of Finance. Has any financial assistance been given the gold mines in Canada since February 1, 1948? If not, is any contemplated? If any is contemplated, from what date will it apply?

Hon. DOUGLAS ABBOTT (Minister of Finance): No assistance has been given the gold mining industry since the date mentioned. The only assistance contemplated is that provided by Bill No. 7, which is now on the order paper and which I hope will be passed before very long. The proposed assistance will be retroactive to December 1 last.

NATIONAL DEFENCE

QUESTION AS TO BRINGING FORCES UP TO STRENGTH

On the orders of the day:

Mr. ALAN COCKERAM (York South): In view of the reply of the Minister of National Defence to a question asked by the hon. member for Kamloops (Mr. Fulton) in respect to the armed forces, would he tell the house some time in the future what steps are being taken to bring these forces up to strength?

Hon. BROOKE CLAXTON (Minister of National Defence): That is hardly the type of question that can be dealt with briefly in an answer, but I can tell my hon. friend that steps have been taken to obtain recruits by publicity over the radio, in the press and by other means, so as to bring the armed forces of Canada, both active and reserve, up to authorized strength. Good progress is being made, and, in comparison with other countries where similar conditions obtain, the showing is encouraging. Men are being taken in at about the rates we want to have them for the army. Recruit classes in the army are full. We would like to have far more for the navy and air force, and we are ready to take more in most of the reserve units, but altogether reasonably good progress is being made.

HARBOUR COMMISSIONS

NEW WESTMINSTER—REFUNDING OF DEBENTURES, GUARANTEE OF LOANS AND REDEMPTION OF SECURITIES

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 148, respecting the New Westminster Harbour Commissioners and to provide for the refunding of maturing financial obligations.

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

On section 1—Short title.

Mr. GRAYDON: Mr. Chairman, I know that the parliamentary assistant is very anxious to make a lengthy statement to supple-

ment his shorthand report of yesterday and I suppose we should not deny him that privilege.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): If the hon. member were not more accurate in his other assumptions we would not pay much attention to him because the parliamentary assistant is not at all anxious to make a speech at any time.

Mr. GRAYDON: We are anxious to hear you.

Mr. MAYHEW: However, it might shorten the debate if I made a brief statement. The bill before us is for the refunding of an amount of $700,000 borrowed by the New Westminster harbour commission on April 2, 1928, and due on April 2 of this year; therefore it is necessary that we get the bill passed through both houses before the end of the month. It deals solely with refunding, and does not touch at all the principles of national harbour administration. The government guaranteed this loan, and it is hoped that upon refunding the interest rate will drop from 4¾ per cent to some lower rate. It is also hoped that the capital amount will be payable in Canada. At present it is payable at the option of the debenture holders either in the United States or in Canada. There is considerable to be gained by the refunding of this loan at an early date.

I think that is about all the explanation that is necessary, but I shall be glad to answer questions.

Mr. MACDONNELL (Muskoka-Ontario): The parliamentary assistant has partly anticipated the question I was going to ask when he said that it is hoped that the new debentures would be payable only in Canada whereas the present ones are payable at the option of the holders either in the United States or in Canada. Would he say a little more about that? I wish he could use a stronger word than "hope".

Mr. MAYHEW: "Hope" was not strong enough. It will be payable in Canada.

Mr. MACDONNELL (Muskoka-Ontario): In Canada only?

Mr. MAYHEW: In Canada only.

Mr. CHURCH: Is this a federal harbour? Does the city of New Westminster appoint some of the commissioners and the federal government others? The government is going to guarantee the substituted securities. That is a wide departure. I would ask the minister to give further information about the harbour commission. How many members are appointed by the city and how many by the government? How much has been spent on the harbour, and how much does the city contribute? How much does the federal government contribute? I know that other harbours are not getting any government guarantee of bonds. The Toronto harbour board consists of five members, three appointed by the city and two by the federal government, and the government representatives are voting city funds because all the money that board spends is advanced by the city. The federal government spends money for Toronto harbour through the federal Minister of Public Works. The set-up of the New Westminster commission seems to be quite different. There are certain harbours known as federal harbours, like Quebec, Montreal and many others. I think it is going pretty far afield to guarantee bonds for city work, for some of it is no doubt city work and some government work. I wish to support anything that is for the good of the country, and if harbour improvements are good for New Westminster they are good for the rest of Canada. What are the powers and functions of this corporation? What are the plans for harbour work and the cost?

Mr. MAYHEW: The hon. member says that he is willing to support anything that is for the good of the country, so I am sure he will support this measure. The New Westminster harbour commission was formed in 1913. It is not under the national harbour board. It has a board of three, two appointed by the dominion government and one by the city of New Westminster. This harbour commission has a very excellent record in that it has paid all its interest and carrying charges up to 1946. It is only three six-months periods behind in interest in all that time, which includes the war period, when there was very little shipping in New Westminster harbour. The dominion government is well represented, two to one, on this board.

Mr. HAZEN: What will be the rate of interest on the new debentures? The parliamentary assistant said the rate would be somewhat lower.

Mr. MAYHEW: I cannot say what the interest rate will be. That will be arranged between now and a later date. The dominion government will have to take up the debentures and refinance in whatever way they think best.

Mr. HAZEN: How many of these debentures are held in the United States?

Mr. MAYHEW: I have no knowledge of how many are held in the United States. From 1928 to the present time is a period of twenty years. That is quite a long time, and these debentures are probably well scattered over the country. No doubt some are in the United States, but I hope that most of them are held in Canada.

Mr. HAZEN: I am speaking of the present time.

Mr. MAYHEW: So am I.

Mr. HAZEN: What will be the total amount of the new issue? It says in the new bill, "an aggregate principal amount not exceeding such amount as is necessary for that purpose".

Mr. MAYHEW: That is exactly the same wording as was used in the old bill. The amount will be $700,000, just sufficient to pay off the present debentures.

Mr. HAZEN: Do I understand the new issue will be $700,000?

Mr. MAYHEW: Yes.

Mr. CASE: Have these bonds always been guaranteed by the government? What was the total amount of the original bond issue in 1928? How much has been paid off? What is its relation to the $700,000 now asked for?

Mr. MAYHEW: When this money was first borrowed it was guaranteed by the dominion government. They have always been guaranteed.

Mr. FRASER: How much will have to be paid in United States funds? Some of this money will have to be paid in United States funds; has the parliamentary assistant any idea what the amount will be?

Mr. MAYHEW: I answered that question a little while ago. I said we had no idea how many of the present bonds are held in the United States. No doubt some are, but they have become pretty well scattered in the twenty year period.

Mr. MACDONNELL (Muskoka-Ontario): Did I understand the parliamentary assistant to say that the new issue will be $700,000, the same amount as the present one?

Mr. MAYHEW: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Is the parliamentary assistant sure of that? Does that mean that you are going to pay a rate of interest which will yield that exact amount, or a rate of interest by which these bonds can actually sell at par? Are you committing yourself to that?

Mr. MAYHEW: The maximum amount of indebtedness to which we will be committed will be $700,000.

Mr. FRASER: How are you taking care of the United States funds?—because there will be a certain premium on those funds.

Mr. MAYHEW: No.

Mr. FRASER: The bank charges half of one per cent.

Mr. MAYHEW: Yes. I suppose it will be charged up to the regular expenses of the operation of the New Westminster harbour commission.

Mr. FRASER: They will pay that?

Mr. MAYHEW: They will have to pay that.

Mr. CHURCH: In the case of the Toronto harbour, the city of Toronto guarantees the bonds. It seems to me that the policy which has been decided on in this bill—which is very largely a private bill—the guarantee of bonds for harbour work, is a departure from the old practice. What is the jurisdiction of the Minister of Public Works over the work of this harbour? Is this not a wide departure from the policy of the government in the past regarding these harbours? Some are public harbours; some are harbours for the benefit of the municipality. Fifty per cent has been paid by the city and municipality, and 50 per cent by the government to improve the entrance and exits to some harbours, the deepening of the harbour and so on—a general program. In this case we find the government adopting a new policy, advancing and guaranteeing bonds and securities for the promotion of certain works within this harbour, which does not apply to the other harbours of the country. In the first place this is not one of the federal harbours named in the federal act. I think this is a very wide departure. We should have some idea of the harbour plans proposed; we should know how much money has been spent, and all that kind of thing, by all parties to the commitment.

Mr. CASE: Mr. Chairman, the parliamentary assistant did not entirely answer my question. I understood him to say that the government had always guaranteed the bonds, but I also asked what was the total amount of the original bond issue in 1928.

Mr. MAYHEW: The original amount in 1928 was $700,000. All that has been paid is the interest. At that time the government guaranteed the debentures.

Mr. JACKMAN: How is it intended to pay off these debentures, which I understand, are

payable in United States as well as Canadian funds? Is it the intention of the government to provide $700,000 of United States exchange out of its meagre reserves for the payment of these debentures?

Mr. MAYHEW: I am quite sure it will not be necessary to provide for $700,000 United States funds, because all the debentures are not held in the United States. Even if they are held by Canadian citizens they will not be able to cash their bonds in the United States and get their exchange. They might cash them there, but they would have to convert the funds back to the foreign exchange control board, and all they would get would be half of one per cent. Therefore only those residents of the United States who hold debentures would get any benefit out of the exchange position.

Mr. JACKMAN: How many are there?

Mr. MAYHEW: I have already said three times that we do not know how many.

Mr. MACDONNELL (Muskoka-Ontario): You should know.

Section agreed to.

Sections 2 to 4 inclusive agreed to.

Bill reported, read the third time and passed.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Monday, March 15, consideration in committee of Bill No. 136, to amend the Continuation of Transitional Measures Act, 1947—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

On section 1—Duration of act.

The CHAIRMAN: The committee was considering P.C. 9029, wartime leasehold regulations as amended.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): Just before the house adjourned at eleven o'clock last evening the minister was asked a number of questions by hon. members on the other side of the house and on this side in connection with rentals generally and particularly about the hardships created for returned soldiers because they were not able to get into their houses. I should like to make a brief statement in that connection.

Rent control is one of the most important controls that we have had, because that one item probably affects the cost of living more than any other single consideration. But it is also one of the most difficult controls to manage, for the reason that there is no general pattern that one can follow. You have to take into consideration the type of house, the character of the people involved, both landlord and tenant, and the city. There is really no definite way in which we can regulate it so as to suit everyone. Therefore there have been and there always will be hardship cases, or cases that must be dealt with outside the regulations.

At first we set up in each district a magistrate with one or two other commissioners to help to regulate rents and to afford a place where the landlord or the tenant might appeal for justice. That was not a perfect plan, but it worked, and it did help to smooth out the regulations considerably. More recently, just last fall, a different type of organization was established, one which I believe did more good than many people give credit for. I refer to the commissioners, of whom a number were set up all over Canada, and they were to deal with the hardship cases only.

You must adopt, not a legal but rather a humane approach to the settlement of differences between landlord and tenant. I found in my own home town when I returned, a number of cases in which landlord and tenant were ready to fight, but after going into the homes and talking things over with them I was successful in a number of cases in getting the differences settled.

The government last fall set up just such a commission. They set up rent-control men and gave them a chance to go and see both landlord and tenant, as well as the type of place in which people were living, and in that way these men knew better how to handle the situation.

Someone said last night that it was not very successful. I assure you that it has not been one hundred per cent successful, but if it cured twenty or twenty-five per cent of the cases, it was in my opinion a success, and it did relieve at least twenty-five per cent of those who made appeal. Their cases have been settled to the satisfaction of both landlord and tenant.

As regards returned soldiers or any others who bought houses and were not able to get into them, such persons invariably bought with the knowledge that the regulation existed before they entered into the deal, and consequently there is little we can do about it. I have spoken to many of them and they argued in this way: Well, probably the rent control was on, but they thought that they could reason with the tenant and so get into their own homes. They were willing to take

a chance, and they had this at stake as well, that they were buying the house before the high bulge came in prices, so that they could get the house at a little lower price than if they would have waited for a year or so. That was their reasoning.

There are many returned soldiers who have not been able to get into their own homes and no one regrets that fact more than the members of this house, but there does not seem to be anything that we can do about it.

Last night a number of individual cases were presented to the committee. As part of my duty as parliamentary assistant to the minister I have been listening to these special cases day after day. Hardly a day passes that I have not three or four to deal with, and I should be only too happy if any hon. member would bring such cases to my attention so that we may see what we can do by referring the matter to the rent control people to see if we can get the commission to smooth out the trouble as far as possible.

It is necessary to keep on the control for a time at least, and it is also necessary, for us to do everything we can to alleviate conditions where hardship cases exist.

Mr. TIMMINS: Last night I asked a question about the relief being given to returned soldiers. We have heard the parliamentary assistant's explanation, but it does not go far enough. It is not sufficient to say that the returned soldier bought his place knowing that he might not be able to get into it. The fact is that the fellow was overseas and he came back to Canada expecting that at least he would get a place to live in, and he must do something to help himself. If he cannot rent a place he must buy one. I do not think it is a sufficient answer to say that because he bought the place knowing that he could not move into it immediately he is not entitled to relief.

I believe that deep down, every one of us, without allowing politics to play any part at all in the matter, is of the view that the returned man is entitled to relief now. It is quite some time since the end of the war. Why should not the government fix a deadline at December 31, 1947, or some date prior to that, at any rate some deadline, so that if the returned man had already bought the house and was owner of it at that date he should have relief?

As the parliamentary assistant says, many of them are not able to get into their own houses. If the department knows what the problem is, and there cannot possibly be more than two or three thousand of these cases throughout the country, it is not a sufficient answer to say that we cannot do anything about it. I feel that we should have some assurance from the minister now—we shall be satisfied with an assurance from him, because we know that if the minister gives us an assurance he will deal with the matter—that some steps will be taken to widen the act on behalf of returned men so that some amendment will go forward to the commissioners which will give them an opportunity to deal with the situation on the basis of equity for the returned men.

Mr. MAYHEW: Notwithstanding anything contained in any other order of the board, the landlord of any housing accommodation owned by him prior to January 1, 1947, may make an application to a commissioner for an order permitting the landlord to recover possession in accordance with the law of the province in which such accommodation is situated. I am informed that 8,400 applications have been made under this order, and of that number 2,411 have been granted.

Mr. MICHAUD: Of the number who got relief, 2,411 of the 8,400 applications, how many are from New Brunswick and how many from the county of Restigouche? As far as I know there have been a dozen or so applications in my county and no landlord has had any relief.

Mr. SKEY: It is the same in Toronto.

Mr. FRASER: It is the same all over.

Mr. MICHAUD: Last night I referred to this question of hardship. The first client for whom I appeared was a tenant, a man with a grown-up family who had been occupying the house for years. The landlord happened to be a veteran who had a wife and family, and he was living in a little shack, twelve by twelve or something like that, which had no foundation, running water or toilet. If that is not a case of hardship, I do not know what is. It is about the most extreme case of hardship that could be brought to the attention of the commissioner. But when we came before the commissioner, although he was a tenant—he remarked during the hearing that he was a tenant and a tenant man—I think he was fair just the same. But when he looked at the other side of the picture and a certain paragraph in that order in council was pointed out, it was found that the landlord, in order to succeed, must practically get a place for the tenant. He must establish that there will be no hardship on the tenant, or practically none. I see some of the officials here making signs indicating the negative, but that is the interpretation the commissioner placed on it, and it appeared to be borne out by the text

of the order in council. The result was that in my community hardly any landlord received any relief.

In the little villages and hamlets I do not believe there is any necessity for continuing this rental regulation with regard to housing accommodation. It is different in the towns. In the smaller places—and I could cite instances of what has happened—in most cases that have been brought to my attention this regulation serves as a protection to an unreasonable tenant. I know of cases in which houses have been purchased by bona fide landlords with a view to occupation. A middle-aged woman bought a house a couple of years ago with a view to occupying it herself, with her crippled husband. She wrote to me about it nearly a year ago. I told her she had better see a lawyer, and she did. The lawyer advised her to make application to evict the tenant because he was obnoxious. As a matter of fact the tenant had bumped into the corner of the house with his car and had caused damage of a dollar or so. This lawyer advised her that she would have a good case, and they went to court. Before they went to court they called in another lawyer.

Mr. PROBE: The legal firm will soon have the house.

Mr. MICHAUD: The result of it was that her case was dismissed, and properly so. It cost her plenty of money. Incidentally this woman had earned the money by cooking in lumber camps. When this recent regulation was passed she obtained an application form from some justice of the peace, sent it in and a day was set for the hearing. In the meantime she came to me again and asked me to represent her at the hearing, which I agreed to do. I told her to come at two o'clock, and the lady was late. Her watch had stopped. She reached my office about two minutes late. We ran to the place of hearing, which was across the street, and we found that the commissioner had closed the court. The tenant was there with his solicitor at two o'clock, and the case was dismissed.

Mr. KNIGHT: He is a bachelor, I guess.

Mr. MICHAUD: Well, the poor lady burst into tears. The commissioner would not open the court.

Mr. MAYHEW: Don't make us cry here.

Mr. MICHAUD: You don't need to if you don't feel like it, although it is a sad case. On various occasions before, I had been successful in obtaining possession under the section with regard to subdivision. This house happened to be a good-sized one; and the owner had contemplated using one flat herself and allowing her son to use the other. So I said, "Perhaps this is the shortest cut. We might make application for subdivision." In the past I had been successful. When we had an office in Moncton the gentleman in charge there was sympathetic and granted applications almost as a matter of course when there was sufficient floor space to warrant it. Well, it took quite a while, but eventually two gentlemen came from Saint John and I gave them all the information I had on it. It was necessary for them to go and see the place, which is out in the country. They did so, and they wrote back to me saying that they did not think this woman had the means to make the alterations. She could not put toilets in both places because there is no water system in that little country place; consequently her application would be dismissed. That is the situation. Incidentally, one of those gentlemen told me that they had had rather more stringent instructions as to this matter of subdivision. There had been abuses in the past.

That is not the first time these officers who act in a judicial capacity have told us frankly that they have had instructions. A county court judge in my riding, who is fair in every respect, on some occasions humbly expressed the view, "Well, I should like to grant your application but I have received a report from the Saint John office that the government wants this and that, and I do not feel justified in granting it". The objection I am taking is to interference on the part of someone advising these men who sit in a judicial capacity as to what they should or should not do.

As I stated before, I feel that in my community this new order in council has not served any great purpose. Why should it be that a person who bought a house in good faith over a year ago, for personal occupation, cannot get possession? Why can he not get possession as he could before July 25, 1945? The fact that he cannot does not provide more living accommodation for the people as a whole. He wants his house, but if he gets it he will vacate some other place. I know the Minister of Trade and Commerce when the matter came up last year referred to extreme cases in which a move like this would put a family out, or perhaps two families. But there are few such cases in the smaller communities. As I said before, I agree that the rental control should be continued for large cities and towns; and there are some people in my own home town who have expressed in no uncertain terms their appreciation of what has been done in this matter. But I say again that in little country

places this regulation serves only to protect unreasonable tenants. I pointed out one case, and I could point out many others where I feel that the rental regulation has worked injustice on certain classes of people. I hope something will be done in the near future to remedy the situation.

Mr. MAYHEW: The hon. gentleman said he wanted to know how many cases there were in New Brunswick. Under this order about which I just spoke, 143 applications were made and 35 have been granted. The hon. member said that rent control should be off in the small places. Our experience is that there is just as great a shortage of houses in the small cities and towns as there is in the large ones. We know there is hardship, but we have to look at the over-all picture. I can assure the committee that our control officers are daily searching to find some way of relieving cases where there is hardship.

Mr. CHURCH: I have not said anything about this control business; but I can tell you this, that controls will never get houses built. I live in a city where the city owns the street railway system, and I doubt very much if any other agency since 1921 has done as much for housing as has the city of Toronto, and particularly with its street car and bus services extending to the outlying districts of the city, urban, suburban and rural.

Following the last war the cheap light and power and transportation development in Toronto led to the building of houses. It is intended by this measure to extend these controls to sixty days after parliament is called, or to the end of March, 1949. That is a political procedure, to tide the government over the next election, no doubt.

I have seen these controls in operation in our city, and I can tell the committee they will not function, so far as the building of houses is concerned. Today those materials which are available are being used for the building of banks, skyscrapers, theatres, and other non-essential buildings. And let me say that the rent courts are the biggest farce I have ever seen. I have had some contact with some of them, and I can tell the committee that when some tenants get into a house they sublet rooms and tear the place to pieces and do three or four times more damage than they pay the owner in rents. Then some of these tenants are profiteering by charging $10, $12 or $14 a week for rooms. The landlord gets a little or nothing out of it. I was head of a city at one time, and I believe I know as much about housing as do a great many others in the committee.

I did not mean to reflect on the hon. member for Parkdale; he is a valuable member, and knows well the conditions in his constituency. He knows, too, how these rent controls have affected all sections of the city of Toronto.

Will this system of controls build houses? I say it will not build a single house. The assessment rolls of Toronto show that before the war more than sixty-six per cent of the people there owned their own homes. Many of those houses had been purchased at high interest rates. Some of the purchasers were soldiers who went to the war, and when they came back they found they could not get into their own houses; they were occupied by tenants who were profiteering at the expense of the soldiers. These were soldiers who gave up their jobs and who went to fight the battles of those who stayed at home. I can assure the committee that if this control system now to be extended for a year would bring about the building of more houses it would be an entirely different matter.

Mind you, I sympathize with the government, with a problem like this on its hands; but I called attention to that problem away back last spring. There was a conference held at Geneva in 1947, beginning on February 7, but we did not hear one word about this austerity program until November 17. If the government would give some encouragement to small builders with materials and labour who would build houses, and if it would give some encouragement or some incentive to commercial landlords who would build commercial buildings or stores and small apartments in the commercial districts, it would be doing something worth while. But nothing of that kind has been done.

Coming down to November 17, we find the government realizing that winter was coming on. When I saw that the government had done nothing between February 7 and November 17, and when I realized that winter was coming on, I asked the government as early as last June about this housing problem. I knew what was going to happen. We were going to be back just where we were after the last war—only this time it would be more serious. The lack of housing today is three times greater than it was at that time.

What did the government do? It announced a new Geneva policy on November 17, and all that kind of thing. It hamstrung small and large business. Will houses be built under this program? I say they will not.

We hear a good deal about the rent courts, and we have seen what they have done right here in Ottawa. Only a short time ago we read about a family who were arraigned in court because they had not looked after their chil-

dren. How could anyone look after children in the circumstances under which some people are housed? I am not here to justify the actions of those people, but I can say that there are hundreds of people like them in every city of Canada. People are living in hovels and in shacks of all kinds. And these conditions exist while we sit here in the House of Commons even near this district.

This is one of the greatest problems we will ever face in our lives. How can the people stand it. I do not place the blame on any particular government, but it must be realized that the housing situation in this country is deplorable. The birds of the air have somewhere to go, but the poor people can go nowhere. They have no houses—nothing. Public health is at stake.

I am not here to criticize any government —far from it, because this housing situation has existed for a long time. But I will say that the rent courts which have been established are the biggest farce I ever saw in my life. I have had something to do with them, and I have seen some of them in operation. There is no justice in some of them. The sooner we stop calling in county court judges for this kind of work, the better. I am opposed to the policy of using the members of the judiciary for whom I have the greatest respect, and who command the respect of every citizen, for this rent court work. This rental situation is apt to hold them up to contempt and ridicule.

Rentals administrators and county judges are brought here to Ottawa from other places. What are they doing? Do hon. members think they are doing a good job? I fail to see it. Many cases have been heard before them, but I can tell the committee this, that in the experience I have had with this matter I have seen profiteering by tenants, and the landlord has had no chance at all. He is the forgotten man, and in that respect is in the same position as the returned soldier. I know some of those tenants are operating in violation of civic building by-laws. They proceed to build as in industry, and even in the residential district some of them carry on factory operations.

Is it any wonder no one wants to put money into housing? Is it any wonder so many mortgages are being foreclosed, with real estate in a condition of that kind? We cannot expect people or corporations to put money into building small houses, or to relieve the housing situation, both urban and suburban. We cannot expect them to enter into building in a commercial way and build small houses so as to aid new housing and stop profiteering.

[Mr. Church.]

I have never seen the like of it. And when we visit some of these places we see soldiers who suffered in the war living in badly ventilated apartments, small rooms or shacks, some of which are fire traps.

We will never have building unless we eliminate some of the housing controls. If the steel and lumber and concrete and other building materials which have been used in the building of banks, theatres, warehouses and all that kind of thing, had been used for housing purposes, we would have got somewhere.

This is a serious state of affairs, even right here in the city of Ottawa. Some members of parliament are familiar with the situation, one that is common to almost every city of Canada. The government's policy should have been announced last spring. Mr. Truman, across the line, announced that they were going away from controls, but he started it again in September. However, we made no announcement until November 17. This decontrol business was mixed up with Geneva agreements and Hyde Park and other things like that. I can tell you this, that I do not know anyone who wants to go into the building of houses at the present time.

On the island of Montreal proceedings were taken under the Railways Act to relieve the housing situation. A suburban service was inaugurated thirty years ago, and we can see what it has done for Montreal, both in winter and in summer. In Toronto we have not had the same opportunity, although we are entitled to it. I say we should have a steam suburban service which would permit commutation tickets from Toronto to Oakville and Brampton and other outlying points. I know the hon. member for Peel will agree with that. The housing situation was relieved by the action of the T.T.C. in serving the suburbs. Housing with civic services is largely a civic problem. The railway commission was required by law to investigate these matters of a suburban service without any application being made. If we had more help from the railway commission and better service was provided the housing situation would be remedied in York, Peel and Ontario counties as it was remedied after the last war.

I do not want to criticize the government all the time because I know the difficulty the war and reconversion caused in getting materials and labour and all that kind of thing, but the time has come when there should be some revision of these rental boards. They are very largely a farce and as far as I can see there is very little justice. To bring

the judiciary into this situation is a retrograde step from the point of view of law and order.

What are we going to do about it? Spring is coming on and something will have to be done. The government wants to turn housing back to the provinces and the municipalities. The first duty of the federal government is to look after the health, wealth, prosperity and happiness of its citizens. Housing should be a federal problem, not a municipal or provincial problem. That is how it is handled in Britain and in the United States where money is advanced to the states and municipalities.

I think it is a large order to extend this to March 31, 1949, or sixty days after the house meets. I fail to see how it is going to help the housing situation. The government of the day should provide assistance to municipalities during the next six months in order to tide things over the following winter. I saw the situation from February 7 until November 17 when nothing was done. Last June I saw this hard winter coming and I suggested that some assistance should be given for milk, bread and coal. That would have been a good thing because we did not know they were going to make a leap in the dark like they did on November 17.

I doubt whether we can do much by legislation. Certainly the government's suggestion to extend these controls to March 31, 1949, is not going to function very well. It is going to lead to more confusion, and lack of building and of private building. Builders will not want to build this spring and it will do considerable harm and prevent the building of small houses by small builders for next winter.

Mr. KNIGHT: Mr. Chairman, this is one of those questions about which much can be said by both sides. It is unfortunate indeed that the interests of the landlord and tenant are diametrically opposed. If the government will not do what we propose, that is, provide more low rental housing units as quickly as possible, then I suppose they can only do the best they can for the greater number of people. I imagine that in this particular instance the greater number of people are the tenants. While my hon. friends to my right have said a great deal about veterans who are landlords, we might point out that a great many tenants are also veterans.

It is a coincidence that just before I came into the chamber I picked up a letter from a veteran, and as some hon. members have been putting personal matters on the record perhaps I might put this one on. This veteran is the owner of a modern house in a good residential district. He purchased the house with the aid of his war service gratuities and re-establishment grant. Under the present legislation he cannot occupy the premises and is forced to live in a house which is far from modern.

Mr. MAYHEW: When did he purchase it?

Mr. KNIGHT: He does not say, and I am afraid that that is the difficulty so far as the regulations are concerned. As I have indicated he lives in a house which is far from modern and which is located seven blocks from a street car, and then he must take a fifteen minute walk to his work. This man had four years service in the second world war. In the letter he gives some personal details which I can leave out, but he underlines this question at the end of this letter: What is being done to remedy this situation? I presume I can write back to him and quote the words of the parliamentary assistant and say, "Nothing."

Mr. SKEY: Mr. Chairman, I should like to give support to the principles put forward by the hon. member for Broadview when he called the government's attention to the situation which exists in the larger cities of Canada. The housing situation is crucial; it is Canada's No. 2 problem. In my opinion it comes closely behind communism; in fact it is creating communism. Dissatisfaction and discontent are being created because of the housing regulations and restrictions and the lack of accommodation.

There is a great principle at stake which I know the Minister of Justice will recognize. The federal government have taken the responsibility of putting on these controls. Any person who has knowledge of the situation agrees that they have resulted in a restriction of housing and a restriction of building, especially for rent. The government have imposed these controls and it is their policy. They have refused to acknowledge the free enterprise system in so far as housing is concerned, and therefore there is only one other course of action they can take and that is to enter into the housing field themselves.

Mr. MAYHEW: I know the hon. gentleman would like to be right. He says that these regulations have affected the building of houses, but I would tell him that no house built since January 1947 is under control in any way, shape or form, either as to the amount of rent paid or the tenancy.

Mr. SKEY: I am glad to have the parliamentary assistant correct me, but the fact remains that there is a great deal of uncertainty in the housing field. The number of houses built since January 1, 1947, is not very

large and I would imagine that ninety-eight per cent of the houses in Canada are still under control to some extent.

I was developing the argument that if the government insists upon the continued control of housing and rentals there is only one course open to them if this problem is to be solved. They must either build houses or subsidize those who can build them, namely, the provinces and the municipalities. I repeat that if the government intend to continue housing controls they must subsidize the provinces and the municipalities in their housing program. Their policies have already driven the two central provinces of Ontario and Quebec into the housing field, the two provinces which have been denied, through the government's mistaken policies, the grants in aid which are paid to the other seven provinces. The two central and most populous provinces have been driven into the housing field by the policies of this government, and I say that this government should today start to return to Ontario and Quebec the moneys collected in lieu of grants, so that they can be distributed by the governments of these two provinces through the municipalities, chiefly Montreal, Quebec, Toronto, Hamilton, London, Windsor and Ottawa—

Mr. KIDD: And Kingston.

Mr. SKEY: And Kingston, to be allocated to a municipal housing program. If the government are going to collect these moneys which are due to the provinces they should return them forthwith to those provinces which have been driven into the housing field.

Mr. ILSLEY: Who would have the corporation tax in those provinces under my hon. friend's plan?

Mr. SKEY: The federal government is now collecting a portion of the tax in the event of those two provinces signing an agreement with the dominion, and it is withholding that amount until then. That is one of the reasons for the government's surplus. Isn't there some $180,000,000 involved?

Mr. ILSLEY: My hon. friend surely realizes that under the present plan the corporation tax collected on corporations in provinces other than the two central provinces is 35 per cent, while it is only 30 per cent in the two central provinces.

Mr. SKEY: What would five per cent of the corporation tax amount to in Ontario and Quebec?

Mr. ILSLEY: I could get it. It would be very great.

[Mr. Skey.]

Mr. SKEY: It would not be equal to the amount which would be payable to those provinces under a signed agreement with the federal government, would it?

Mr. ILSLEY: I doubt whether it would be quite as much as that, but it might be more.

Mr. SKEY: I gravely doubt it.

Mr. ILSLEY: It is up to them.

Mr. SKEY: Oh, no; it is up to the federal government to give the provinces taxation rights in certain fields. However, I shall not get into an argument with the minister over that at the moment.

Mr. MAYHEW: Mr. Chairman, what we are considering now is P.C. 9029, wartime leasehold regulations as amended. There will be ample opportunity under the Department of Reconstruction and Supply to discuss on three or four items the question of housing when the minister will be here to answer, and I suggest that we should defer this discussion until then. We would like to see all the lumber go into the building of houses. It would relieve the situation. I can only assure my hon. friend that rent control will be prosecuted with the utmost intensity and justice and sympathy in order to be fair to everybody. I cannot promise more than that and I do not think you can get more out of it.

The DEPUTY CHAIRMAN: The point raised by the parliamentary assistant is in order. The committee should deal specifically with the wartime leasehold regulations.

Mr. SKEY: I was endeavouring to develop the point, Mr. Chairman, that these restrictions are aggravating the housing shortage and will continue to do so. I fully acknowledge the difficulty in which the federal government is placed today and the difficulties of both landlords and tenants. Coming from an urban constituency where the problem is very acute, I am perfectly aware of the difficulties, which work hardships on both sides. I am not arguing for just one side, but I am saying that it is the continuation of controls that makes necessary a housing policy sponsored and financed by the federal government. The parliamentary assistant has mentioned the minister of reconstruction. I was just coming to him.

Mr. MAYHEW: Wait until he comes in.

Mr. SKEY: The situation is acute. But I see you are about to rise, Mr. Chairman, and so I will withhold what I had to say on that. I have advocated as strongly as I can that those hundreds of millions of dollars should

now be placed in the hands of the governments of Ontario and Quebec to assist in the housing programs into which they have been forced by the continuation of these controls.

I will close by venturing to suggest that even those in the position of tenants today who are enjoying the protection of rent control will be the first to insist on a clear title and absolute freedom when they come to purchase property of their own because they are keenly aware of the situation in which their landlords are placed today. There is nothing to be gained politically by arguing this question, because there are people on both sides to be offended no matter which side you take, but I say it is the greatest problem in Canada today and this government should bend very effort to its solution.

Mr. TIMMINS: A short time ago the parliamentary assistant read from an amending order, I take it, of last year. Would he give us the number and date of that order and tell us whether its provisions were not predicated upon the factor of hardship?

Mr. MAYHEW: The order number is 753, and it was predicated on the basis of hardship.

Mr. TIMMINS: I do not want to be misled. I do not suggest that the parliamentary assistant is endeavouring to mislead the committee but we have not had an answer yet as to whether the minister is willing to consider extending this amending order to make some provision for the veteran on the basis of hardship. I refer to the veteran who has bought and paid for his house before December 31, 1947, and whose hardship consists of not being able to maintain himself and of not being able to hold the house if he cannot get into it himself.

Mr. MAYHEW: If the veteran owned the house before he enlisted he can get possession without difficulty.

Mr. TIMMINS: That is not the point.

Mr. MAYHEW: The other relief is the one I have just read. A further one is that if it is a new house built since January, 1947, he can get into it. If he cannot comply with any of those conditions he is rated as an ordinary citizen. I wish we could do something more about it.

Mr. TIMMINS: I do not want to labour this. The fact of the matter is that the parliamentary assistant says nothing can be done. I think something can be done if the minister is prepared to give some assurance that it will be looked into with the purpose of trying to find hardship that will work out in favour of the veteran who cannot afford not to be in control of his own house. The order is acting against the interests of the men who are not able to help themselves.

Mr. MAYHEW: I can assure the hon. gentleman that if he can offer us a solution to the problem we shall be very happy to consider it; but at the present time there are more returned soldiers than landlords, and often returned soldiers are competing against each other to get into the house. It is a most difficult proposition. I assure the hon. member it is being dealt with as sympathetically and as intensely as we can possibly do. Let anyone give us a solution to the problem and we shall be glad to entertain it.

Mr. HAZEN: I suggest to the minister that he give serious consideration to the remarks which have been made by the hon. member for Restigouche-Madawaska and by the other hon. members who have protested against this regulation which provides that a man who buys a house for the purpose of getting into it is refused permission to occupy it.

The parliamentary assistant to the minister has said that he can do very little about the matter. He does not say that nothing can be done about it. If I recall aright, the wording of the resolution says that if a person who buys a house under these circumstances wants to get into it, he has to show that he has greater need for that house than the occupant. The onus is on him to show that he has a greater need for it than the occupant. What I fail to understand is this. Why should a man who has bought a house for the purpose of occupying it be obliged to show that he has a greater need for it than the person who is occupying it? Surely it should be sufficient for him to show that as he owns the house he has a need as great as the person who occupies it. If you are bound to continue these regulations, then they might well be modified to the extent I have suggested; the man who owns a house should be allowed to have possession of it if he can show he has as great a need as the person who is in possession. Perhaps some hardship would be created, but I do not think the cost of living would be raised if you did away with this regulation altogether.

The committee was informed this afternoon that there had been only some 8,000 applications all over Canada. These applications must represent most of the people who have suffered from this regulation. In New Brunswick there have been only 143 applications. If all these applications were granted I do not believe the cost of living would be raised to

any extent; and I think justice would be done and the principles of law and of free enterprise as we understand them would be lived up to if you would let a man occupy a house when he has bought it and wants to move into it with his family.

I have received quite a number of letters. I hold in my hand a letter which was written me in January. It is from a woman who is badly in need of getting into her house with her family. She says:

> My husband is a veteran with six years' service, four years overseas. When he came home he bought a house, putting every cent he had into it. Now we hear that the controls may be kept on another year.
>
> We are nearly crazy living in a small four-roomed apartment with three children, who are really suffering because of the way we are living. They can't play, and every time they come in or out the landlord or other tenants scold them. We have to pay $45 per month, and you can imagine what that does to my husband's salary.

He has a small salary. I continue with the letter:

> The rents are very low in the house we bought, hardly more than enough to cover expenses. One of our tenants has told us that they have a home (outside the city) but while they can have a large six-room flat with garage and large yard for $15 per month . . .

While the veteran who owns the house with a small salary, a wife and three children is obliged to pay $45 because he cannot get into his own house. Conditions of that kind are not fair or right and should not be permitted for one minute.

I have received quite a number of complaints also from persons who own houses and rent them. Their complaint is that they are not getting a fair return on the money they have invested. They say they are not getting enough of a return to make necessary improvements to their houses. The regulation should be such as to enable a person to get sufficient from his investment to meet the cost of repairs, taxes, heating and so on, and give him a fair return on his investment.

Mr. MICHAUD: Following the point raised by the hon. member for St. John-Albert may I say I now have the text of this order, and my submission is that the relief granted by it is much more insignificant than was indicated by the hon. member. Not only must the landlord show hardship, but at the hearing, according to subsection 6, the commissioner may require such further information—and I skip some parts that are immaterial and go down to (b) which asks for the circumstances of the tenant and the nature of the real hardship which would be suffered by the tenant and his family if the occupation was allowed. Whenever any application of this nature is made the tenant who refuses to go out will come into court or come before the commissioner and put up a hard luck story. Naturally he will say that he has hunted around the town and the community for the last two or three months and has not been able to find a suitable place. He will say that he has a large family. That constitutes hardship, and it must be taken into consideration by the commissioner. I have a case in mind. A veteran wanted to get into his house. He had two children. The other fellow had six grown-up children. The commissioner said, "You are asking me to put them out. He has six of a family; you have two. What is the advantage of putting out six to give room to two?" When I went into court I thought I had a good case. I heard the interpretation placed on the regulation by a man who was not a legal man, but I thought he interpreted the regulation properly. The landlord must do more than show that he is in hard circumstances. When he goes into court he has a roof over his head, and he wants to throw another person out. Naturally the answer of the court or the judge is this: "You have a place now; you are fairly comfortable. You are asking me to throw this other person out." The other person says that this constitutes hardship, and it is hard enough, it is true—

Mr. TIMMINS: You should have read the regulations first.

Mr. MICHAUD: I say the regulation is practically worthless. I have run across the occasion where the tenant has said, "If you let me stay in until the first of May I will get out". On such occasions the commissioner has made an order, but in most cases where orders have been made it is done by consent such as I have indicated. The tenant has practically agreed to get out at a future date. If the tenant says, "I cannot find a place, I have no place to go", I do not see any justification under the regulation for the commissioner to evict.

Mr. MAYHEW: May I answer the hon. member for St. John-Albert? In the first case, where a man might go and buy a house and get possession of it, you would be letting someone in and turning out a returned soldier. That is probably what would happen in your first case. In your second case, where a man says he is not getting what is fair and reasonable for his house, he can appeal to the board for an adjustment, and a good many thousands of cases have been adjusted.

Mr. HANSELL: It seems to me that the only solution of the rental problem is more houses. There is no other answer to it. I know that the present minister and his assistant are not responsible for building houses, but they are asking parliament to extend their powers of controls over rentals. Can the minister give us some idea as to how long these controls are to continue?

I am not rising to make criticism one way or another. I have no criticisms to make. I do not see what can be done except what is being done. The situation exists as it is, and the government is trying to handle it the best way it can.

An hon. MEMBER: A pretty poor best.

Mr. HANSELL: That may be subject to criticism too. I have letters from tenants making complaints; I have about an equal number from landlords making complaints, and it is difficult to satisfy both. I do not think the case which the hon. member for St. John-Albert brought to the attention of the minister was the strongest he might have made. There are many cases much worse than that. Here is a man with two children and four rooms to live in. I am not taking the side of the tenant, and perhaps he is a pretty fortunate man. I am surprised in one way, and I know it is because of the lack of building materials, that so many four-room homes have been built throughout the country. I believe that if the time ever comes when there is no shortage of housing you will be able to buy four-room houses for a song. That, however, is another matter, and I know I am not entirely within the rules in bringing it up.

Can the minister tell us how many building permits were issued in 1947 as compared with 1946 and 1945? You may think, Mr. Chairman, that is not in order, but that is the only way I can see whereby we can discover what the situation is and when perhaps there will be some relief in the way of lifting of controls. How long will it last? We are asked to grant continued power of control. People do not know whether the controls are to come off or whether they will be left on this year and another year as well. We should have some answer to that question. Is it expected that they will last for another year or another five or ten years? If building has dropped off, then there is some reason for it, and the government is not going to the root of the problem unless it discovers that reason, because the only solution of the problem is more houses.

Mr. MAYHEW: Two questions have been asked. One is, how many permits were issued in 1945, 1946 and 1947? That question should be directed to the Minister of Reconstruction and Supply who will be coming on, I hope, in a few minutes and will be able to give that information. As far as the length of time is concerned, we are asking for the extension of these controls to the end of the fiscal year, that is the end of March, 1949. Whether they are extended beyond that will depend on the will of the house.

Mr. MERRITT: This discussion we have had in the last few hours is like the discussion we had a year ago in this house, and apparently no progress has been made. A year ago we discussed the problem of the veteran owner who could not get into his house because of rental restrictions, and the ministers at that time expressed great sympathy for the veteran. I remember the Minister of Finance saying that it was a very constructive discussion, and I should think many members of the house thought that something might be done about the matter in the intervening time. But apparently nothing has been done at all, and the reasons given by the parliamentary assistant today are precisely the reasons given a year ago.

The unfortunate fact is that we have here a real hardship on these veterans and it is the responsibility of the government. I do not think it is at all satisfactory that a whole year should have passed and that we should be given the same answers now as those we got a year ago.

The hon. member who has just spoken has mentioned one way of relieving the situation, which is to get more houses, and that is the responsibility of the government. As I understand, they have not succeeded in the past year in increasing the number of rental houses which will be available. It has not increased substantially, and I find at page 2234 of *Hansard* of April 21 of last year that the minister suggested that the only way out was to increase the number of units available.

Last year the hon. member for Eglinton offered to the government another way in which the number of housing units available might be materially increased. He gave it as his opinion, which is a valuable one, since he knows a great deal about housing, that by this means you would bring into the market a considerable amount of rental housing. His suggestion was to amend the regulations with respect to eviction from shared accommodation so as to enable a large number of people in Canada who have accommodation now too large for them to take in tenants, with the assurance that they will be able to evict those tenants if they prove to be unsatisfactory.

According to the present regulation they cannot be evicted except on six months' notice, and it was suggested that if that period were reduced to one month it would open up a great field of available living accommodation which heretofore has not been tapped. The hon. member for Eglinton moved that as an amendment, but the government refused to accept it just as they refused to accept his amendment last year with respect to the veteran home owner.

If we are to go on from year to year without any progress in this matter, surely that second suggestion of the hon. member for Eglinton should be, I was going to say accepted by the government, but certainly gone into very carefully indeed. Perhaps it has been gone into. Perhaps the parliamentary assistant can give us a statement as to why the suggestion has not been taken into consideration and that field opened up so as to relieve the housing shortage.

Mr. MAYHEW: The hon. member for Vancouver-Burrard says that nothing has been done to relieve the situation. I would point out to the committee that last year 78,000 houses were built in Canada. Before the war our normal capacity was in the neighborhood of 32,000. I happen to know that, because I had something to do with the building trades. Our capacity was around about 32,000 houses before the war, but last year we built 78,000 in Canada.

Mr. PROBE: How many couples were married?

Mr. SKEY: One hundred thousand.

Mr. MAYHEW: In October last, in the hon. member's own city of Vancouver, there were 5,500 wartime houses under construction. I think that since that date a further 1,500 have been added to that to have them ready to relieve those housed in the old Vancouver hotel. When Canadians have stepped up their production of housing by nearly three times, I think there must be something or somebody behind that accomplishment, directing it.

Mr. MERRITT: The parliamentary assistant has not yet answered my question. I heard the hon. member for Regina City call out, asking what the net family formations were in that same year. It is my understanding that, on the whole, we are losing ground in providing accommodation for Canadian families. How many of the 78,000 houses, to which the parliamentary assistant referred, were rental houses? I remember distinctly that the Minister of Reconstruction and Supply in the housing debate last year said that his chief worry in connection with housing was that rental units were not being provided. A large number of these 78,000 houses are of no use to people who can only afford to rent. I should like to hear the parliamentary assistant tell the committee what consideration has been given to the suggestion made by the hon. member for Eglinton last year which was to the effect that if you reduce the period of notice which must be given in the case of shared accommodation, you will open up in the cities of Canada a large field of accommodation which has not been tapped so far. What is the answer to that?

Mr. MAYHEW: Thirty-seven per cent of the urban population live in shared accommodation; and unless they are obnoxious, they require the six months' notice. But if they are obnoxious they can be evicted on much shorter notice. They can be evicted under the regulations of the provincial government which provide for short notice and on the grounds of incompatibility.

Mr. MERRITT: Of course that is not an answer to my question. My question is this; what investigation has been made, following the suggestion moved as an amendment by the hon. member for Eglinton last year, to ascertain how much new housing accommodation would be made available by a reduction in the period of eviction from six months to one month.

Mr. ILSLEY: I was in the discussion last year, Mr. Chairman, and I remember the amendment moved by the hon. member for Eglinton. While I have not been engaged in this department since that time, and am not at the present time, I understand that consideration has been given to that suggestion. The suggestion is based upon a theory that you would gain more accommodation than you would lose if you allowed the owner of the house to turn those tenants out on short notice. That is merely a theory, and it is a theory with which those who have studied the matter do not agree. It is not susceptible of proof. On the contrary it is believed that, with the national income what it is, for ten rooms that you would gain by the application of that theory you would lose 100, because the landlords would turn the tenants out and would not let anyone else in; and the fact that they could turn people out suddenly would not cause them to let others in.

Mr. MERRITT: That was not the suggestion made by the hon. member for Eglinton. I have it here and it may be found at page 2250 of *Hansard* of 1947. I will not read it

all. It referred to this question of freeing shared accommodation from eviction control, and the last few words of the amendment are as follows:

. . . where the tenancy thereof is created after the date of coming into force of this act.

So it will be seen that his suggestion would not have freed any present accommodation from the present six months' notice legislation and would not have lost any you now have. His suggestion would have applied only to new shared accommodation being made available because of this suggestion, just in the same way as you have released from control houses coming into occupation after January 1, 1947.

Mr. ILSLEY: The administrative difficulty there is this. Suppose there are five tenants in one house, and one room becomes vacant. Then the tenant who goes into that room can be turned out without notice or with very short notice, while the other tenants in the other four rooms are entitled to their six months' notice. The discrimination that arises there between tenants is regarded as most undesirable.

Mr. MERRITT: I must say that explanation does not satisfy me; because if you apply your new order only to new accommodation and not to old accommodation becoming free, only to a completely new building where you never had shared accommodation before, you would never get the difficulty which the minister suggests. I do not want to take up too much of the time of the committee. I know the hon. member for Weyburn wants to ask a question. But I ask the government to give more consideration to the proposal which was put forward seriously a year ago and which is much more than a theory. Many people believe it would make available a great deal of accommodation.

Mr. ILSLEY: Is anybody building new homes for the purpose of renting rooms?

Mr. MERRITT: No, not new homes.

Mr. ILSLEY: No.

Mr. MERRITT: But old homes where the occupants do not need all the rooms today. That is what we are referring to in the case of shared accommodation.

Mr. McKAY: I think it is generally recognized that, while there is a lack of housing accommodation, there must be some measure of rent control. We have had figures given to us this afternoon to indicate that housing construction is not keeping abreast of the demand for houses in this country. As long as a shortage of housing prevails, we shall have to have some measures passed by this parliament to control the situation. I realize that there are objections to this rent control measure on the part of landlords and also on the part of some tenants. But despite those objections, I fear what might happen if these controls were abolished at this time. If we are to witness with regard to housing accommodation what has happened with respect to rents of some business premises, it would be a serious situation. We might even face the situation where rent would go up to double and treble what they are now, unless there was some measure to control them. This would cause much more hardship than the present regulations are causing either to the tenant or to the landlord. However, it seems to me that some instructions to favour the tenant must have been given to the commissioners. I should like to ask the question whether or not a directive has been issued to the commissioners to give the benefit of the doubt to the tenant rather than the landlord.

When I say that, I do not wish to be misunderstood. I have had a great number of people who own property write to me. These include old folks and veterans; and the letters seem to indicate that, although they have shown great need, the tenant seems to get every consideration and they do not receive any, despite the arguments they may present. Has any directive been issued which seems to favour the tenant, when these cases come up for consideration?

Mr. MAYHEW: I am sure I cannot answer that question with a positive yes or no. I am quite confident, however, that the answer would be, no. However I would have to check that with the rentals controls officers before I could answer definitely.

Mr. McKAY: Would the parliamentary assistant endeavour to give an answer.

Mr. MAYHEW: Yes, I shall endeavour to get a definite answer.

Mr. TIMMINS: To turn to another phase of the regulations for a moment, it is my understanding that the commercial rentals covered by this section ended on March 9. The hon. member for Nanaimo has placed in my hands a communication which brings up a subject with which I think we must deal. This letter has to to with a small company which occupied commercial space for which it paid $25 a month rental. Now, with the rental order off, notice has been served on this business that from this time forward its rental will be $125 a month, or an increase of 500 per cent.

Section 6 of order P.C. 9029 reads, in part, as follows:

> No person on behalf of himself or any other person shall let or offer to let any real property at a rental that is higher than is reasonable and just or shall charge, demand, receive or collect or pay such a rental . . .

I believe I have seen a press release to the effect that, despite the fact that commercial rentals controls were completely and absolutely off, that clause in the rentals order would be invoked against a landlord with commercial accommodation who proceeded to charge rentals which were not reasonable and just. Would the minister explain what the effect of this is and where it leaves tenants who are occupying commercial accommodation at the present time?

Mr. ILSLEY: The Minister of Finance made a statement on this point in the house on March 5, as reported at page 1908 of *Hansard*. The hon. member may look at that statement himself, but my recollection is that the effect of it was that the section he has just read is to remain. It is open to the tenant in that event to lay an information, if he wishes, or to report the case for investigation and for prosecution, if it is thought that the facts would warrant such proceedings being taken.

Mr. TIMMINS: I cannot clearly understand the mechanics of the order. It is not clear to me how the commercial order can be completely and absolutely out of operation—cancelled, so to speak—and yet this section remain, when it applies to a phase of the rentals order which has been cancelled. That is my first thought.

My second thought is that the tenant gets very little comfort from the fact that a prosecution can be laid because, in the meantime, he may have failed to comply with the demand of his landlord and may have been served with a notice to get out. Under those circumstances he would have to vacate, and it would be small comfort to him to know that the rental should have remained at $25 a month when, as a matter of fact, he is out on the street. It seems to me that if, on behalf of the people of Canada, the Minister of Finance desires to see that no wrong is done, before we have finished with this rentals order some amendment should be made which would cover the matter of protection of a commercial tenant in like circumstances.

Mr. SKEY: I should like to return to a point I brought up last night; that is, if the minister is not going to answer the hon. member for Parkdale.

[Mr. Timmins.]

Mr. ILSLEY: I did not understand that he wanted an answer.

Mr. TIMMINS: The thing seems incongruous in that apparently the section will be wiped out, so far as commercial rentals are concerned. In view of the fact that commercial rentals are no longer under control, does the minister tell the committee that the present rentals order will protect commercial tenants who are being charged exorbitant rentals?

Mr. ILSLEY: It applies to the tenant; it applies to the landlord who is charging a tenant a rental which is greater than could be considered reasonable and just. This matter was dealt with by the Minister of Finance when he said:

> As the government is continuing rental control on housing accommodation, it is necessary that this section remain in effect.
>
> This section has general application; accordingly, it remains an offence for a landlord to charge a rental for commercial space that is clearly unreasonable and unjust. Should any such case be brought to the attention of the wartime prices and trade board, investigation will be made.

Then he goes on to say that prosecutions cannot be instituted without the leave of the board or of the attorney general of a province. That is found in section 8 of the regulations.

Mr. TIMMINS: Will the minister tell us whether the Minister of Finance intends to implement section 6 any further in favour of a tenant of commercial accommodation who, now that the commercial rentals order is not operative, is left without an anchor, so to speak, so far as protection is concerned? After all, a prosecution would not help that tenant very much.

Mr. ILSLEY: The Minister of Finance said this in answer to a somewhat similar question:

> I believe I can answer that in this way, that if it is clearly established that a rental which is unreasonable and unjust is being charged the board would consider taking a prosecution. It is open under the section for anyone to do it, with the consent of the board or with the consent of a provincial attorney general. I am not prepared to say now to what extent the board should be or would be prepared to undertake the task of prosecutions. What I have said, in effect, is that if cases of that kind are brought to the attention of the board, investigations will be made.

Mr. KNOWLES: Is it a fact that the abolition of commercial rental controls was achieved, not by any change in the order in council before us, but by the change or abolition of a board order?

Mr. ILSLEY: Yes.

Mr. KNOWLES: In other words, the answer to the question asked by the hon. member for Parkdale with respect to section 6 is that it is still there as part of the general order in council.

Mr. ILSLEY: Yes.

Mr. KNOWLES: And that means, too, that if the government could be persuaded to bring back a measure of commercial rental control, the board still has the authority to carry it out.

Mr. ILSLEY: The board could put on ceilings, yes.

Mr. SKEY: I should like to refer to the questions I asked last night with regard to the rooming-house operators who submitted a brief to the Minister of Finance in which they asked two things. First, they asked that the increased rentals permitted to property owners be extended to cover rentals charged by rooming-house operators. They contended that they were subject to an increase by their landlords without being able to pass that on to their own tenants. Second, they asked that some relief be given from the six months' freezing order for tenants. I should like to have an answer from the minister.

Mr. MAYHEW: The control on rooming houses came in much later than the regular freezing order. It was thought that the advance which had been permitted to rooming-house operators was sufficient to take care of their requirements and that they were not suffering any financial loss as a result of the order of July, 1943.

Mr. MANROSS: The prices of everything involved in keeping a rooming house have gone up since 1943. I do not see what justice there is in taking hotels out from under the control, permitting hotels to raise their prices and not permitting rooming houses to do likewise. While it is true that rooming houses may be providing a lower type of service than a hotel, there is a similarity in the services provided. A government-owned hotel like the Chateau Laurier, which is operated by the Canadian National, is permitted to raise its rates 33⅓ per cent, while a rooming-house operator must stick to the prices he charged in 1943. Surely these rooming-house operators should be given some percentage of increase, even if it is only a small percentage.

Mr. MAYHEW: House rentals were frozen in 1940, while rooming-house rentals were not frozen until 1943. I think this debate has been most helpful but I hope it will not continue much longer. I assure hon. members that what has been said here will not be lost sight of.

Mr. MANROSS: How is it intended to take off these freezing controls? Will it be done by degrees or suddenly? I think it would be better to do it by degrees.

Mr. SKEY: The minister did not give me an answer with regard to the six months' freezing order for tenants of rooming houses.

Mr. MAYHEW: I thought I answered that before. The six months' regulation is applicable unless the tenant is not desirable, in which case he can be evicted under the laws of the province.

Mr. CARDIFF: There has been a considerable amount of criticism in connection with this housing program and, I think, rightly so. I think everyone will agree that the plan adopted has been absolutely wrong. A landlord who had rented at a low rent found that his rent was frozen at that figure, whereas another landlord might be getting more for the same kind of accommodation. That was all wrong. There should have been an over-all plan whereby rents were brought up to a certain standard. This has caused considerable dissatisfaction. Another cause of dissatisfaction is the fact that a tenant might sublet and obtain more rent than he was paying to the landlord. I think the ones who framed the regulations must take the blame for that.

In certain instances labour is being let out by industry. During the war years many men left the farm to take jobs in war plants and the result was that many farms became idle. Those farms are still idle. When industry is laying off men an effort should be made to find out where they came from. If they came from the farm an effort should be made to persuade them to go back to the farm. We are short of labour in the country. You cannot hold floating labour because, as soon as you have a hard job on your hands, they will leave you. An effort should be made to persuade these fellows to go out to the farm and occupy some of the houses that are vacant in the country. I doubt if there is a mile and a quarter anywhere in the country without two or three vacant houses. If these men could be persuaded to go out there it would relieve the housing shortage in the cities as well as the labour problem in the country.

Mr. ILSLEY: Can we agree to pass the group of orders?

Mr. MACDONNELL (Muskoka-Ontario): Is the minister suggesting that we take the group now?

Mr. ILSLEY: It is up to the committee, but if hon. members want to discuss any order I

suggest that it be discussed now and that we do not come back to it later. There are eight of these orders.

Mr. MACDONNELL (Muskoka-Ontario): Would that include P.C. 9870?

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I wanted to ask some questions on that. I have not been able to put my hands on a report of the corporation. Am I right in thinking there was a report?

Mr. ILSLEY: There is no report made to parliament by the Commodity Prices Stabilization Corporation. Questions are answered on the estimates.

Mr. MACDONNELL (Muskoka-Ontario): I should like to know roughly what the corporation has done in the last year as compared with the year before. I am trying to find out the objectives of the corporation and the reasons for continuing it.

Mr. ILSLEY: The purpose of the corporation is to carry on bulk purchasing and to pay subsidies. If the hon. gentleman is asking for anything like a comprehensive report I shall have to give it at eight o'clock or later, because we are not prepared for it now.

Mr. MACDONNELL (Muskoka-Ontario): Like other hon. members, I do not want to hold up the proceedings unnecessarily, but I think this is a matter of importance.

Mr. ILSLEY: Exhaustive preparations are made to answer questions just like that on the estimates. I thought we were dealing with something a little different, the extending of the authority for the operation of the corporation. However, the hon. gentleman is quite within his rights.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to get into anything that is too involved, but could the minister give us at eight o'clock a brief statement as to what is contemplated? It does seem to me that we want a prima facie case.

Mr. ILSLEY: I will do so. I want to find out myself.

Mr. KNOWLES: The item in the estimates is reduced by $22,000,000.

The DEPUTY CHAIRMAN: Does the committee agree, with that understanding?

Mr. MACDONNELL (Muskoka-Ontario): How far does that take us?

Mr. ILSLEY: Down to Department of Fisheries, unless someone wants to ask questions.

[Mr. Ilsley.]

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a question about the Sugar Stabilization Corporation, P.C. 7475—regulations of corporation as amended. I take it that is the stabilization corporation?

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps that will be included in anything that is to be said at eight o'clock. The next one is P.C. 5518—repayment of subsidy order as amended. Will the minister say a word about that at eight o'clock?

Mr. ILSLEY: Might I interrupt to say that when the words "as amended" are used, they mean as amended in last year's bill, not as amended since.

Mr. KNOWLES: Except that the last one has been amended by the deletion of two clauses.

Mr. ILSLEY: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Then P.C. 34/4433—Government Employees Compensation Act. The minister might say whether there is anything significant in that and what the scope of it is.

Mr. ILSLEY: That is just incidental to the orders.

The DEPUTY CHAIRMAN: If that is agreed, shall we pass on? Carried.

Mr. MACDONNELL (Muskoka-Ontario): When you say "Carried", Mr. Chairman, I understood that these were left over until eight o'clock. Does the minister agree?

Mr. ILSLEY: That is right. There are two orders under Department of Justice. They are merely incidental to the other control orders. They are P.C. 4600 and P.C. 6223, at page 2153 of *Hansard* of March 12. These were all dealt with last year. They are just the same orders, but we would like to have them continued while the other control orders are in existence. They provide for appeals and for notice to attorneys general. They are procedural orders. No exception was taken to them last year.

Mr. LOW: Has there been any volume of appeals?

Mr. ILSLEY: Yes. I have not the figures but there has been a great deal of litigation.

The DEPUTY CHAIRMAN: I should like to get this clear. I was endeavouring to have the group of orders under wartime prices and trade board carried, on the understanding that the minister would give the information asked

for by the hon. member for Muskoka-Ontario. With that understanding shall we carry this group?

Mr. MACDONNELL (Muskoka-Ontario): I do not want to split hairs, Mr. Chairman, but the sensible thing is not to carry them until we get the information. I do not anticipate any controversy but I think that would be the more sensible course.

Mr. ILSLEY: Let them stand, P.C. 9870 to P.C. 328 inclusive.

Mr. POULIOT: I have a question to ask of the minister about controls in the Department of Justice. Are the defence of Canada regulations still in existence?

Mr. ILSLEY: No.

Mr. POULIOT: They are finished?

Mr. ILSLEY: Yes. The other day my hon. friend asked me for certain information and if he would like to have it now I will give it as best I can.

Mr. POULIOT: Surely.

Mr. ILSLEY: He asked three questions about these controls. First, had there been a reduction in the personnel engaged in administering the controls, and if so, how much of a reduction, and had some personnel been transferred to other departments of government? There was another question allied to that.

The main departments engaged in the administration of controls were the war departments now being consolidated or liquidated. We can include or not include the defence departments. During the war the defence departments were carrying on certain types of controls. I do not know whether the type of department contemplated by my hon. friend includes the defence departments, but I will give the figures affecting the war departments now being consolidated or liquidated.

The war peak of personnel in the defence departments, civilian employees, was 68,376, which has been reduced as of December 31, 1947, to 14,492. In national war services the war peak was 2,041. That department has been abolished and therefore has no employees. The war peak in the wartime prices and trade board was 5,726, which was reduced as of December 31, 1947, to 1,129. The war peak in the Department of Reconstruction and Supply was 14,540, and that number has been reduced as of December 31, 1947, to 318.

In addition to the departments I have mentioned, the Department of Labour had a great increase in personnel as a result of war activities, especially when wage control was in operation. The war peak in the Department of Labour was 2,813, which was reduced as of December 31, 1947, to 649. The war peak for the unemployment insurance commission was 10,185, which was reduced as of December 31, 1947, to 7,041.

There is one other department that perhaps should be mentioned. With the great growth in the number of employees in the government service during the war there had to be a corresponding growth in the staff of the comptroller of the treasury, whose officers are distributed through all the departments of government. The war peak of employment there was 9,350, which has been reduced to 4,577 as of December 31, 1947. The hon. gentleman asked what has happened to these people, whether they have just been placed in other departments of government. It is impossible to give any definite answer, or anything in the way of figures in reply to that inquiry. For instance, in the wartime prices and trade board there has been movement both ways. Some of those who left the wartime prices and trade board have obtained positions in other departments, and there has been some movement also from other departments to the staff of the wartime prices and trade board. But I am told that, as nearly as can be estimated, the number of persons in the civil service reached a wartime peak of about 142,000; that is, peaks were reached in the various departments at various times, but the wartime peak was about 142,000, and a comparable figure today is 117,232. That information is the nearest to an answer that I can give to my hon. friend.

When I speak about the civil service I want to make it clear that the figures I have given do not include casual employees paid by the hour, do not include revenue postmasters and do not include crown companies personnel. It has been impossible to get the figures for the crown companies personnel in time to give this answer. It might be possible after considerable investigation; I do not know. When I spoke to my hon. friend the other day he said to do the best I could to get that information for him, and I told him that I would.

Mr. POULIOT: I thank the minister very much for that information. I am sure that he has been labouring to get it, but, as he says himself, it is still vague. During the war there were two kinds of estimates; there were the ordinary estimates which mentioned all departments, and there were also the special votes which mentioned all departments in order to show that each department was con-

tributing in some manner to the war effort. It is the same thing with regard to special orders. There are several orders for each department, departments that would not need any special orders at all. For instance, we have them for the Department of Justice. What is the need for the Department of Justice to have a special order? I do not complain about it on account of what the minister has done himself. He was not then Minister of Justice. But why should the Minister of Justice have anything to do with controls, when the Department of Justice is supposed to be managed under the act concerning the Department of Justice?

At the present time my hon. friend is doing his best to answer my question and I thank him for that. But there is the treasury board; there is the civil service commission, these institutions that are supposed to check the movement of the civil service. If I ask today as a member of parliament, what is the composition of the staff of any department today compared with what it was one year ago, two years ago, three years ago, four years ago, five years ago, there should be an answer ready. How many times did I complain that the civil service commission, that the treasury board did not know how to work. Perhaps they have too much to do; but when it comes to elementary things like that, simple figures that all members of parliament have a right to know, how is it that it is so difficult to get them? There is something wrong somewhere. They do not know how to work. They should be taught what to do.

I remember the time that I presided over the civil service committee. I had to tell these people what to do. They were totally ignorant. And when I showed them a chart I asked them if it was all right. They said, "Yes, it is all right." But I said, "What is the thing that is up at the top? Should it not be down at the bottom?" They said, "Yes, sir." And I said, "The other thing that is in this position on the chart, should it not be somewhere else on the chart?" They said, "Yes, sir." I then said to them, "Do your work properly, or do not come before the committee. I want it to be done right now." They said, "It is impossible, sir; we cannot do it." I said, "How is it when I ask you for elementary information, for essential information, you cannot give it to me? Give it to me tomorrow morning at ten o'clock without fail." They said, "Sir, it is impossible." I said, "Tomorrow afternoon at two o'clock without fail." They said, "Oh, sir, you do not know what an amount of work is involved." Then I said, "This is my last word, the day after tomorrow at ten o'clock without fail." They said, "We will do our best, sir." They came to me and said, "It is not right? Is that not the way it should be done?" They were just children. I will tell the minister that before Mr. Taylor came the wartime prices and trade board was in a completely chaotic condition. It was impossible to deal with them. Those who were running the whole show were trying to show their superiority over members of parliament. They were just stupid asses, and I hope that Mr. Taylor will be able to do something about the other. I wish him well. I hope that he will succeed in doing something with the other people there, and clean the whole house. That is my wish.

Mr. ILSLEY: We now come to the Department of Reconstruction and Supply, P.C. 1609 which has to do with construction materials regulations, as amended.

Mr. TIMMINS: I understand that since last year a new controller has been appointed in respect of priorities or in respect of timber and steel. Is that so? What is the name of the controller? With respect to priorities, I should like to know whether it is necessary at this time to continue them. I am told of a case in Toronto where a wholesale hardware merchant received a large quantity of nails which were needed by some 450 builders in that city. That pile of nails was brought in and divided into two parts. One part went to wartime housing and the other part had to be divided between all the other builders in Toronto who, through their local merchants, were to get a share of the nails.

I have a newspaper clipping which was taken from a veterans' paper, a copy of which was received by us all last fall. I notice the heading reads, "Priorities aid Edmonton vets build homes". One item in respect of that hope which I think concerns the committee, mentions material enroute; two carloads of nails, 4,000 kegs. Four thousand kegs are a lot of nails. I should like the minister to tell the committee how this system of priorities is being worked out at the present time and on what basis these priorities of materials are being given to the builders of Canada.

Mr. HOWE: The application of priorities is not extensive. The proportion of nails going into priority projects is about fifteen per cent. In other words, fifteen per cent of nail production goes to priority projects and eighty-five per cent into free distribution. Priorities apply to low-cost housing and to veteran projects generally. Those are the only priorities that are involved.

Mr. ZAPLITNY: Are there any priorities now in connection with steel or lumber used for the construction of such things as bridges, and so on by municipalities?

Mr. HOWE: Yes. There are priorities for steel. All steel is manufactured under allocation. The government approves the rolling schedule for each quarter. The steel requirements are examined and the steel is allocated as fairly as possible among a great number of users. By careful allocation it is possible to give sufficient steel to all manufacturers, so that their needs can be scheduled at a rate that the industry can support. Every pound of steel made in Canada is subject to allocation by the government. As to lumber, there is no allocation. Lumber is in free supply and can be purchased readily. The only control is in respect of exports.

Mr. ZAPLITNY: That applies also to construction timber as well as lumber.

Mr. MACDONNELL (Muskoka-Ontario): I want to ask a question in regard to the allocation of steel, reverting to the explanation which the minister gave in connection with Bill No. 3 when we were considering that matter. The minister then explained the various projects which came to him, and when he was discussing those I took it that they referred more or less to rather large individual undertakings. What I am not quite clear about is the situation when you come to smaller things. Is there an allotment of steel in connection with small houses; because in modern houses of this type there are now steel beams? How is the allotment made when you come to small undertakings of that kind? Is the housing corporation allotted so much and does it make a sub-allocation, or how is it done?

Mr. HOWE: Perhaps my hon. friend is confusing the import regulations which we were discussing on another occasion with the allocation of domestic steel.

Mr. MACDONNELL (Muskoka-Ontario): But would this not cover both.

Mr. HOWE: To an extent. Imports of steel are not controlled in the same way as is the allocation of domestic steel. In other words, if approval is given to a project which requires imports of steel, imports are allowed to come in for that project. But we manufacture about 3,000,000 tons of steel in Canada and that steel is allocated very carefully to a great number of projects. For instance, the automobile industry is allocated so many tons, the shipbuilding industry so many tons a month, each individual shipyard receiving so many tons; the Massey-Harris and other farm implement manufacturing concerns are allocated so much; the car building program is allocated so many tons, and so on. Every pound of steel that can be manufactured is allocated to someone. The small man to whom my hon. friend refers buys through jobbers, who are allocated a certain amount, the jobber's allocation being intended to cover the small user.

Mr. MACDONNELL (Muskoka-Ontario): When you have household construction competing with other kinds of construction, and particularly having regard to what we have heard about the dearth of household construction, may I ask whether steel is actually a bottleneck in household construction or not?

Mr. HOWE: The only types of steel that go into household construction are nails and soil pipe.

Mr. MACDONNELL (Muskoka-Ontario): And I-beams.

Mr. HOWE: I-beams for low-cost housing are not used to any great extent. For houses that sell at $5,000 or $6,000 there are not many I-beams, but larger houses do use a certain amount of structural steel. For a time, soil pipe was a bottleneck and it is still a difficult item. We could get more soil pipe if we could allocate more pigiron to its manufacture, but we have the situation in balance to an extent that it is not a source of handicap in the building of small homes.

Mr. TIMMINS: I wish to ask the minister a series of short questions. Soil pipe is still under the control of this particular order?

Mr. HOWE: Yes, as it applies to priority building and as it applies to the control of steel. The amount of soil pipe that can be made depends upon the allocation of pigiron to the foundries making soil pipe, so that to that extent the amount of soil pipe made is regulated by the distribution of pigiron. But after the soil pipe is made the only priorities apply to soil pipe for priority projects.

Mr. TIMMINS: So that the only competition is between private builders and priority projects as far as soil pipe is concerned?

Mr. HOWE: Yes.

Mr. TIMMINS: With respect to bricks, is there any control for the manufacture and distribution of bricks at the present time?

Mr. HOWE: Practically none. If there is a low-cost housing project that requires brick, at times the co-ordinator of controls will requisition from a brickyard the brick required, but that is a trifling item. Generally

speaking, there is an ample supply of brick for all purposes and, to the best of my knowledge, no requisitioning is required at the present time.

Mr. TIMMINS: Will the minister explain the situation with respect to priorities in plumbing and heating supplies?

Mr. HOWE: In plumbing supplies, production is up 50 or 60 per cent. It is not a serious item at the moment. Orders are placed by Wartime Housing, and sometimes assistance is given to integrated housing contractors who schedule their requirements to meet the program of building for veterans. But generally speaking, plumbing is in fairly adequate supply. The shortage is not in plumbing fixtures, but in plumbers.

Mr. TIMMINS: Is there not still a considerable shortage in bathtubs? Is it not part of the business of priorities in this order to speed up the manufacture of bathtubs, as was done during the war in certain respects, by allocating a given amount of steel to the concerns manufacturing?

Mr. HOWE: Some two years ago steps were taken to encourage the expansion of manufacturing facilities for bathtubs and the desired production was obtained. I believe the bathtubs made today are about 190 per cent of those made in 1945. Demand and supply are pretty well balanced as far as bathtubs are concerned. There is no bottleneck there that I have heard of.

Mr. TIMMINS: Last year the minister made a statement with respect to the production of nails. I understand from builders that at the present moment nails are in fair supply. The builders are getting by, but they do not know what the situation will be in the month of May when they expect building production, particularly in the residential areas, will be more greatly expanded. Can the minister give a statement as to what we may expect in the way of the production of nails in the months to come?

Mr. HOWE: Production of nails has gone forward rapidly. It is easily 50 per cent over production at the end of the war, but we have really never caught up from the strike situation in 1946. Nails are still in short supply. But as I say, that is not because of any government priority. Government priorities account for about fifteen per cent of total production. We are not far out of balance, but the drop in production of wire rod during the strike has created a vacuum which we have not been able to fill completely.

[Mr. Howe.]

Mr. ZAPLITNY: Can the minister give the committee figures as to what percentage of our production of lumber is allocated for export and how that is broken down for individual producers?

Mr. HOWE: Yes. It is a rather complicated schedule. I will give it to my hon. friend if he is interested.

For eastern Canada, east of the Ontario-Manitoba boundary:

Softwood lumber and sawn softwood railway ties. Exports equivalent to 100 per cent of shipments for Canadian consumption. In other words, the division there is half for domestic, half for export.

Shingles. One car export for each car shipped for Canadian consumption. That is the same thing.

Lath. One car export for each five cars shipped for Canadian consumption. In other words, with regard to lath we permit the export of only one-sixth of our production.

Poles and piling. Pine poles of any length, and cedar poles between 25 feet and 50 feet in length—one car export for each car shipped for Canadian consumption.

No exports are permitted covering the following items: sawlogs, hardwood flooring, sash, doors and other millwork:

In addition to the before-mentioned export regulations, a free export quota of 290 million feet of softwood lumber for shipment to world markets has been allocated to shippers in eastern Canada, the greater portion of which will originate in the maritime provinces and the Gaspe peninsula. I might say that the reason for the free export quota is that rail hauls to market are costly. There are no rail connections in the Gaspe area, and the rail haul from the maritimes is an expensive item. Since there was not a market for the full 50 per cent allocated to the domestic market in the martime provinces, a free export was given to take up the lumber that could not be used locally.

Mr. HACKETT: Has the minister given the figures in connection with softwood ties?

Mr. HOWE: Fifty-fifty.

Mr. HACKETT: What about hardwood ties?

Mr. HOWE: Hardwood ties are on fairly free export. We make special arrangements with regard to hardwood ties. I have not them here. We require the martime provinces to fill the railway market demand in that area, and allow export of the remainder. Export quantity depends on the size of the cut. We

find out how many ties the railroads require for a season; we reserve those ties and allow the balance to be exported.

For Manitoba, Saskatchewan, Alberta and northern and southern interior of British Columbia:

Softwood lumber and railway switch ties. Exports equivalent to 100 per cent of shipments for Canadian consumption. In other words, half and half.

Cedar poles 25 feet to 50 feet in length. Two cars export for each car shipped for Canadian consumption.

No exports are allowed of lath, hardwood flooring, sash, doors and other millwork.

For the Vancouver forest district, which is the British Columbia coastal area and Vancouver island:

Softwood lumber and railway ties. Sixty per cent of production may be exported.

Poles and piling, cedar poles up to 50 feet in length. Two cars export for each car shipped for Canadian consumption.

Plywood. Fifty per cent of production may be exported.

No exports on the following items are permitted:

"D" clear and better fir and/or hemlock and/or Sitka spruce in excess of 10 per cent of the shipper's total export shipments, but without limitation as to quantity in individual cars.

Mr. HACKETT: Hardwood logs are not restricted at all?

Mr. HOWE: I did not say that.

Mr. HACKETT: What did the minister say?

Mr. HOWE: There is no export permitted of hardwood flooring. I wonder if we are talking about the same thing? I am talking about the British Columbia coastal area.

Mr. HACKETT: We are not talking about the same question.

Mr. HOWE: No, evidently not. As I was saying, no exports of the following items are permitted:

"D" clear and better fir and/or hemlock and/or Sitka spruce in excess of 10 per cent of the shipper's total export shipments, but without limitation as to quantity in individual cars.

"D" and better clear flooring, edge, angle and/or flat grain in species other than cedar.

Doors, sash, millwork, railway car material and fir lath.

A priority reserve of 10 per cent of lumber produced is set up to ensure that adequate supplies are provided in Canada for the following users and end uses:

1. The Canadian railways. Maintenance, repair and new car construction.
2. Governmental projects, both dominion and provincial.
3. Mines.
4. Power projects.
5. Shipyards.
6. The manufacture of doors and millwork of all kinds.
7. The maintenance and repair of saw mills and logging camps, facilities and equipment.

An allocation of 100 million feet of fir, hemlock and balsam logs has been allowed for shipment to the United States during 1948, divided as follows: 17,500,000 feet of Douglas fir; 82,500,000 feet of hemlock and balsam.

Mr. ZAPLITNY: Is the basis of allocation to the producers in each area on the same percentage? That is, does each producer in a certain area receive the same percentage allocation for export and domestic sale?

Mr. HOWE: That is right.

Mr. ZAPLITNY: There is no differentiation between the producers in the same area?

Mr. HOWE: That is right.

Mr. HERRIDGE: Did I understand the minister to say that there is one car of poles exported to one car sold internally?

Mr. HOWE: No. In your area it is one car domestic to two cars exported.

The CHAIRMAN: The committee has been considering P.C. 1609, P.C. 245 and P.C. 1997. Shall those orders carry?

Mr. MACDONNELL (Muskoka-Ontario): No. It is six o'clock, Mr. Chairman. However, I just want to ask one more question.

Mr. HOWE: Could we sit for a minute or two longer? Perhaps we might get these items through.

Mr. GILLIS: Certainly. We want an early Easter recess.

Mr. MACDONNELL (Muskoka-Ontario): Am I correct in saying that steel is not holding back domestic construction? What is the scrap situation? What is the level of our steel production at the moment throughout Canada? Is it in any way retarded by shortage of scrap, and what is the general scrap situation?

Mr. HOWE: The steel situation is not limited by scrap, although scrap is a constant worry. We have an embargo on the export of scrap, and we have a substantial import of scrap from countries such as Cuba, and those countries in the Caribbean area. We brought some of the Pearl Harbor scrap in from Manila. Our steel industry is buying scrap wherever it can be found in the world. But so far shortage of scrap has not limited production. The scrap situation was somewhat relieved by Algoma adopting a duplexing process. In other words, Algoma had an unused Bessemer furnace there, and can make what one might call synthetic scrap from ore, which has taken the Algoma Steel Corporation out of the scrap market and relieved the situation materially. But there is a scrap shortage in Canada as in other countries at the present time.

Mr. MACDONNELL (Muskoka-Ontario): There is, I suppose, an enormous amount of metal lying around all over Europe. Is that a practical question, or has any practical means been devised of salvaging and using that metal?

Mr. HOWE: We have not been successful in getting any allocation of that material. I understand that the United Kingdom steel manufacturers are getting a fair amount of scrap from Germany. German cities look like one great mass of twisted structural steel. That scrap is expensive to recover; and France and Belgium are reluctant to let any of it go out of the country. Of course they realize the value of scrap as we do, and they want to save it for their own purposes. England is getting a fair amount out of Germany, and I am not sure whether the Americans are getting some from there, or not. In any event it is not cheap scrap.

Mr. TIMMINS: Will the minister explain to us why it is a necessity to have a steel controller in Canada, as well as the minister's own function as controller and allocator of steel, as Minister of Trade and Commerce, under this new bill we now have before us?

Mr. HOWE: The steel controller's branch is large. It has assumed the responsibility for directing every bit of steel in this country from its primary stage to finished products. If we were not to do so, the production of steel in this country would drop at least 20 per cent. In other words, the government buys steel from Sydney, Nova Scotia, and brings it to Hamilton, where there is surplus finishing capacity. It buys steel from Sault Ste. Marie, and brings it to Hamilton. It moves pigiron into locations where it would not possibly move naturally. It helps to move scrap from impossible locations to keep our steel furnaces going.

We have subsidized the steel industry to the extent of three or four millions of dollars, or perhaps more, and this is all handled under the direction of the steel controller. By careful allocation we have been able to keep steel prices in line. The price of basic steel in Canada is lower than the price of basic steel in Pittsburgh, which is a very favourable condition for our secondary manufacturing industries, and one which could be brought about only by the assistance of the government in making the best possible use of our limited basic steel production.

The CHAIRMAN: Shall the item carry.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The DEPUTY CHAIRMAN: When the committee rose at six o'clock we were dealing with the orders concerning the Department of Reconstruction and Supply.

Mr. MacNICOL: I am not going to be critical of the minister this evening, because I know he has carried a terrific load, not only in connection with his own work but because of what has been placed on his shoulders by other departments. Perhaps it has been impossible for him to do what one might expect should have been done. I should like to know how the production of houses in Canada compares with production in England. This morning I cut out a clipping which referred to what has been done in England under Mr. Bevan, who apparently has to do with the production of houses. It states that last year they constructed 300,000 new houses. I do not know whether those houses would cost as much as a similar house erected in Canada. I hardly think the house there would be as substantially built, and perhaps the cost would not be as high. The article states that they have completed two-thirds of their 750,000 house program.

I keep asking myself how they can do that when they have to import at least any lumber or flooring or things of that kind which would be required. I ask myself whether we have done all that could have been done here. The minister may tell me that he has, and I am not going to contradict him because I do not know what he has been up against. If we

have not done all that we should have done, what has been the bottleneck that has prevented us from achieving our objective? The fact is that there is still a great shortage of houses in this country and, if any country in the world should be able to build houses, it is Canada. I realize that labour is one problem.

I have always had the highest regard for the minister and I had hoped that he would pioneer or suggest some rapid way of building houses. I know that for some time engineers have been developing and promoting steel-core houses which, it is claimed, can be built rapidly. Perhaps the minister would know about that. I should like to have the minister tell us how his program is getting along. If it has been held up, what is the reason? What plans has he now for having hundreds of thousands of new houses built? I presume that many are required.

Mr. HOWE: We have been building houses. We built about 50,000 in 1945; 67,000 in 1946 and about 77,000 in 1947. We have not set our target for 1948 because we are examining the situation to determine how many. Seventy-seven thousand is far more than were ever built in any single year of the history of this country, and the same is true of the 67,000 figure. We have built about 200,000 since the end of the war, and last year we had a carryover, the largest we ever had, of about 45,000 houses in process of construction.

My hon. friend asks how our program compares with that in England. We usually think of England on the terms of four to one. If they have built 300,000, which I may say the available statistics do not indicate they have—I would say the figure is much too high—on a four to one basis we are still a little ahead of them. On a population basis Canada compares favourably with any other country in the world in the number of houses built. Sweden was doing better in the immediate post-war days, but they had a slump last year and our three-year total is much better than theirs.

My hon. friend suggests that we should invent something new in the way of housing, something better and cheaper. Unfortunately we have the psychology of the tenant to consider. In the early days of the war we were ready to produce a prefabricated house of aluminum, a very comfortable house, but people just would not have them in their towns and the people who lived in them did not like them. That has been the history of prefabricated houses that did not follow conventional styles of architecture.

I was interested in a competition that was held in Los Angeles when I was there a year or so ago. One of the large automobile companies was asked to go into the production of aluminum prefabricated houses. They worked out a design which seemed most attractive, a design that seemed to suit California very well indeed. Before starting into production they built three houses. One was the prefabricated house they intended to build; another was a Cape Cod cottage, and the third was a Colonial style house. All three houses cost about the same and had about the same dimensions. The vote in Los Angeles gave 85 votes out of 100 in favour of the Cape Cod cottage. Their vote showed that people like to live in the type of house in which their ancestors lived and in which they were born. That is one of the difficulties of striking out into new and original patterns of houses.

The material situation is no longer the bottleneck; the bottleneck today is skilled mechanics. We have a housing project in Ottawa of about 450 units. The first units are occupied, but I am told that it will be the end of 1948 before sufficient bricklayers and plumbers can be assembled to finish the job. That indicates the shortage of those two trades.

Manpower is the real bottleneck in house-building today, particularly skilled trade. We are making some progress as we are getting a few more mechanics every year. The supply situation is in better shape. We are amending the housing act as we go along to overcome difficulties, financial or otherwise, that arise from higher building costs. We are doing the best we can to attain our objectives, and the fact that we have done so in spite of all obstacles is an indication that the housing section is very active indeed.

Mr. MACDONNELL (Muskoka-Ontario): Has the minister not been very much disturbed at the cost of these structures, and does he see any real sign of a drop in costs? Even leaving out the fantastic instances one hears of occasionally, it seems to me that the ruling costs on these dwellings impose a burden we never would have thought was proper or possible to be carried, whether by owners or tenants. Does the minister feel that there is any real prospect of costs coming down?

Mr. HOWE: One can only speculate. Costs have been levelling off recently. The additional higher labour cost is off-setting greater efficiency in the assembly of materials, but I would say that costs of the type of housing the government builds should not be greater in 1948 than in 1947. It may be a trifle less.

The DEPUTY CHAIRMAN: We pass to the Department of Transport.

Mr. MAYHEW: Mr. Chairman, before the committee took recess at six o'clock we had agreed to make a statement on the Commodity Prices Stabilization Corporation Limited and on the Canadian Sugar Stabilization Corporation Limited and, with your permission, I am prepared to make them now.

The Commodity Prices Stabilization Corporation Limited was incorporated by letters patent dated December 24, 1941, as a private company under part I of the Companies Act, 1934. All the shares of the company, other than the qualifying shares of the directors, are held by the Minister of Finance.

The function of the corporation was and is to pay subsidies and to engage in bulk purchasing of essential Canadian requirements.

Its present activities are as follows:

1. The only remaining bulk purchasing is the acquisition of Canadian requirements of "off-shore" oils and fats. Oils and fats are still under international allocation through the international emergency food council, and to a very large extent allocations to Canada have to be purchased from or through the governments in the supplying countries.

2. The only subsidies still being paid are those on oils and fats.

3. A large part of the corporation's present activities consists of the liquidation of remaining inventories of antimony and tin, which will soon be completed, and in the checking and closing up of past subsidy accounts. All subsidies paid by the corporation were paid as accountable advances and to most subsidies certain terms and conditions were attached. It is the duty of the corporation to examine the accounts of the recipients of these payments, and in many cases final settlements cannot be concluded until after the close of the last fiscal year of the recipient in which subsidy was paid.

The estimates for the corporation in the fiscal year 1947-48 amounted to forty millions and the estimates tabled for 1948-49 amounted to eighteen millions.

The statement on the Canadian Sugar Stabilization Corporation Limited is very brief. In fact both these statements are necessarily brief because of the lack of time, but if the hon. member wants any further information we shall be glad to get it for him, and there will also be an opportunity on the estimates to get the further information required.

The Canadian Sugar Stabilization Corporation Limited was incorporated in March, 1947, for the purpose of taking over the former functions of the sugar administrator in bulk purchasing of imported cane sugar and Barbados molasses. The Canadian Sugar Stabilization Corporation has acquired or is acquiring Canada's 1948 requirements of imported cane sugar.

The government of Canada has an agreement with the government of the United Kingdom which gives Canada the option of joining with the government of the United Kingdom in purchasing the entire exportable surplus of empire raw cane sugar in 1949.

Mr. MACDONNELL (Muskoka-Ontario): The statement on the Commodity Prices Stabilization Corporation Limited which the parliamentary assistant read indicated that it is now largely a liquidation proposition, and yet the estimate for the corporation for the year is a substantial one. That has reference, I suppose, to the fact that fats and oils still have to be purchased in substantial measure from the relevant governments.

Mr. MAYHEW: That is correct.

Mr. MACDONNELL (Muskoka-Ontario): I was not quite clear as to the statement on the Sugar Stabilization Corporation. Do I understand that we are co-operating with the United Kingdom in buying inside the colonial empire?

Mr. MAYHEW: If the exportable surplus of empire cane sugar is required.

Mr. MACDONNELL (Muskoka-Ontario): What effect will that have on the domestic production of non-cane sugar?

Mr. MAYHEW: I do not think it has any bearing on that. It is only an option to purchase what we require. The production of beet sugar will certainly be taken care of by this department before it brings in any cane sugar.

Mr. MACDONNELL (Muskoka-Ontario): I take it that the Commodity Prices Stabilization Corporation, which was created to meet a temporary situation, will in due course disappear. That being so, what is the full significance of P.C. 34/4433—Government Employees Compensation Act extended to Commodity Prices Stabilization Corporation. Does that mean that up to now these employees have not been eligible for pension?

Mr. MAYHEW: They are temporary employees and are not eligible for pension.

Mr. ILSLEY: It is not a pension act but a compensation act, like the Workmen's Compensation Act.

Mr. JACKMAN: I understand that there is no shortage of sugar at the present time for commercial or domestic use and that no subsidy is being paid. Why is it necessary to carry on the Sugar Stabilization Corporation, and what is the estimate for 1948-49?

Mr. MAYHEW: There is nothing in the estimates for the Sugar Stabilization Corporation.

Mr. JACKMAN: Why are we keeping the order in council, then?

Mr. ILSLEY: We entered into a contract to take part of this empire sugar for the 1948-49 season, and this is the agency which imports sugar.

Mr. JACKMAN: Why did you enter into the contract if there is plenty of sugar in the world? As a country are we favouring bulk purchasing of our essential commodities?

Mr. ILSLEY: I do not think I can give an accurate narrative of this, but I know, when I was in the Department of Finance, we were entering into contracts for two or three years ahead, and we were carefully considering whether it was advisable to do so or not. Apparently this is the last of the contracts and it covers the 1948-49 crop.

Mr. JACKMAN: How many months will elapse before the whole matter is disposed of?

Mr. ILSLEY: One cannot give an estimate of the number of months, but it will not be very long. I do not know exactly what is meant by that. I cannot give any estimate, but it is not—

Mr. JACKMAN: It will not be reviewed for the 1949-50 crop, then? It will expire with the present sugar crop year; is that the understanding?

Mr. ILSLEY: It is not likely, but one cannot say anything about that.

Mr. MACDONNELL (Muskoka-Ontario): I do not think the question of the hon. member for Rosedale has been answered satisfactorily. I want to go back to what the parliamentary assistant said. My impression was that he spoke about there being the right to purchase, not an actually firm agreement. I think he used the word "optional," or at any rate we had the right to purchase if we wanted to We need to know whether we are bound by the contract or whether it is merely a right that we have to exercise.

Mr. MAYHEW: We cannot give the committee the exact quantities of sugar that will be required, but we have an option to purchase all that we shall need, minus what we grow in Canada. That option is with the British government, and therefore it is thought advisable to keep this corporation intact for that purpose until that necessity no longer exists.

Mr. JACKMAN: The committee is entitled to some information as to what the government's policies are on the purchase of sugar. We get a continual bombardment of pamphlets from our own beet sugar growers. This particular order in council has to do with cane sugar which we refine in this country. I cannot discover whether or not it is to be government policy to purchase sugar in bulk for Canada from Great Britain or from any pool, or whether there is a pool of which the United States is a member and whether Cuba comes into it. We are entirely at sea as to what the policy of the government is. They have the appropriation of their needs, but we do not know how long this will last. They do not know whether they have an option to get cane sugar elsewhere, or under this particular pooling arrangement. We are entitled to a little light if the government wishes to take power unto itself to regulate the sugar business of this country by order in council.

Mr. MAYHEW: We buy what sugar we require. May I say that there is on the order paper, in the name of the hon. member for Eglinton, I think, a question which the minister will be answering in a day or two. The hon. member will likely get a statement much more fully than I can give to the committee at this time.

Mr. MERRITT: As I understand it, so long as this order in council remains in force no private Canadian dealer can import sugar. It must be all imported through this corporation. Is that not correct?

Mr. MAYHEW: That is right.

Mr. MERRITT: Is that a desirable situation now, or is it a necessary situation?

Mr. MAYHEW: The officials consider it is necessary at the present time, or else they would not ask for this. I do not want to go any farther than that.

Mr. MERRITT: I did not hear the answer.

Mr. MAYHEW: It is considered necessary at the present time.

Mr. MERRITT: Can the parliamentary assistant say why it is considered necessary, and if he does not consider it necessary, might it not be unwise unless we are to go into the bulk purchasing of commodities forever to shut off the private trade longer than is necessary?

Mr. MACDONNELL (Muskoka-Ontario): I have a supplementary question to ask. We are entitled to know whether it is a matter of policy to continue bulk buying only when it is necessary, or whether it is considered desirable in itself. In the case of fats and oils my understanding is—if I am wrong I should like to be corrected now—that there is a real reason for doing it. It is a transaction between government and government; but nothing has been said here to indicate that it is not advisable to have the trade carried out by private importers.

Mr. MAYHEW: I do not think I can say anything more than that or give any more information. I have not it to give. I have not had the opportunity to discuss it with the minister. I know that he will be making a statement on this very point in the course of a day or two. The matter can be raised then. I would like to leave it at that for the moment. I know it is not satisfactory; I admit it is not.

Mr. MACDONNELL (Muskoka-Ontario): May this order in council stand over? I do not think we should pass it without that information.

Mr. ILSLEY: Mr. Chairman, that holds up the whole act. I was hoping we could get this through.

Mr. COCKERAM: Let us have the answer.

Mr. JACKMAN: Perhaps the minister or the parliamentary assistant could give us some information with regard to the Canadian Sugar Stabilization Corporation, not so much on the supply or the procurement side, in respect of which we could get further information on another occasion, but so far as distribution is concerned. Does a manufacturer or a user of sugar in this country have to apply to this board for a licence or some permit in order to get his supply? I have noticed that the sugar administrator has an expensive suite of offices in the Royal Bank building in Montreal. I do not know why he should occupy such offices. Is he not the same gentleman who is president of the Industrial Development Bank? What is the arrangement with regard to the supply and distribution of sugar under this order in council?

Mr. MAYHEW: No licence is required. The corporation bring in the sugar and distribute it to refiners as required, and they load it into their own refineries and pay for the sugar. That is the only operation.

Mr. JACKMAN: The refiners, then, must pay the Sugar Stabilization Corporation for the sugar at a price which is fixed by the corporation itself?

[Mr. Merritt.]

Mr. MAYHEW: By the corporation.

Mr. JACKMAN: Does the parliamentary assistant happen to know whether that price is above or below the world price of sugar?

Mr. MAYHEW: I do not know.

Mr. STEPHENSON: Are we at the present time bound by the agreement to belong to this pool for a certain length of time?

Mr. MAYHEW: It is not a pool. It is just an agreement with the British for the buying of the exportable surplus of cane sugar that is grown in the empire.

Mr. STEPHENSON: Are we bound by this agreement for a certain length of time?

Mr. MAYHEW: We are not bound unless we have entered into contracts. I do not know what they are. There is no long contract in connection with this.

Mr. MACDONNELL (Muskoka-Ontario): I do not think anyone will suggest that we have been unduly holding up anything. We are ready to facilitate the proceedings, but I certainly do not think we should allow this to go through when the member for Rosedale has asked certain searching and pertinent questions which affect the matter of policy and which have not been answered. I think it would be silly to let the thing go through with the record as it is now.

Mr. ILSLEY: I am sorry I have no further information, and if hon. gentlemen insist we shall have to let it go over until tomorrow. That is all we can do. Perhaps we had better take the transport items before we do that.

The DEPUTY CHAIRMAN: Is it the pleasure of the committee to allow these items to stand?

Some hon. MEMBERS: Stand.

The DEPUTY CHAIRMAN: The item before the committee, then, under the transport department is P.C. 2245. Shall this item carry?

Mr. ARCHIBALD: I know the minister is busy, but there are a couple of points which I wish to bring up in this connection. Take P.C. 2245, which authorizes the chairman of the board of steamship inspection to relieve any ship from the obligation of complying with peacetime regulations. As the order is outlined, it states that, owing to the exigencies of war and the consequent scarcity of ships, these regulations, which are normally complied with in peacetime, shall be set aside. But the order 133/510, which deals with compensation to seamen whose effects have been

damaged, has been wiped out. There you have a situation whereby the shipping companies can still carry on, using hulls that would not normally be considered seaworthy, and yet the order in council dealing with war damage to seamen's effects is withdrawn. It is such acts that cause dissatisfaction in the ranks of organized labour. If these acts were remedied we would hear a great deal less of what is known at the present time as the communist menace in this country. This stirs it up.

Again, No. 4306 provides for permission to Canadian registered ships to clear on a voyage with masters, mates or engineers not holding appropriate certificates, as amended by 8995. These two provisions enable ships that are not normally seaworthy or properly manned to go to sea, thus endangering the lives of the crew.

Two or three weeks ago I asked the Minister of Transport whether they had reconsidered their stand with respect to the establishment of a coastguard in the light of the sinking of the *Clarksdale Victory* off Queen Charlotte islands. The answer was to the effect that the cost factor weighed heavily upon his mind. Since that day, two events have taken place in the same area, having a relationship to this question.

In the little fishing village of Massett at the north end of Queen Charlotte islands, a few miles away from the spot where the *Clarksdale Victory* sank, a certain person became ill and it was necessary to rush that person to hospital. A call was put in to Canadian Pacific Air Lines for this purpose and the cost of transportation was $252 for the flight to Prince Rupert. Two weeks later there was another emergency of the same kind and, as it was not possible to get the Canadian Pacific Air Lines, a telephone call was put in for a United States coastguard plane stationed a few miles farther north. They replied that they would be in Prince Rupert within two hours and they came and conveyed the sick person to hospital. They were asked what the charge would be and they replied, "Charge? There is no charge. This is our job".

Here is the point. The best way I can express my opinion is in the words of the hon. member for Temiscouata: I am humiliated as a Canadian. It is all right to get a helping hand from a friend, but when you put the bite on him too often it is too much. It is about time that we in Canada, with our marine history, built up a merchant marine worthy of the country and aided by the necessary protective services. There are more places than the west coast interested in this matter. The people of the maritime provinces are as deeply interested in it as the people of British Columbia, and I say to the Minister of Transport that, instead of having a couple of orders in council dealing with the removal of restrictions on steamship companies, he should pass positive orders for the building up of the marine service.

Mr. CHEVRIER: I have listened with interest to the remarks of the hon. member for Skeena, very little of which had to do with the two orders in council which are on the list of my colleague the Minister of Justice. Evidently they were an excuse for him to make a speech on the necessity of a coastguard service in this country. If my hon. friend wishes to debate that question at the proper time I shall be glad to hear what he has to say, but this is not the proper time under these orders.

However, there are two things that seem to bother him, and I shall deal with them. The first is this. He seemed to object strenuously to one of these orders being revoked, namely P.C. 133/510, having to do with compensation to seamen, war damage to effects. The reason that order in council is being revoked is that it has lapsed. There are no longer any claims under that order in council, and neither are there claims by the dependents of seamen by virtue of the sections of the order. So it was thought expedient to revoke it. Had there been any claims or had all the claims not been paid up under this order, the recommendation would have been made to extend it.

The second matter complained of is the order having to do with the relieving of ships from steamship inspection. My hon. friend says he knows of instances where ships have been allowed to ply in an unseaworthy condition.

Mr. ARCHIBALD: No. I said this allows them to ply the trade routes in a condition that is not seaworthy according to ordinary peacetime standards.

Mr. CHEVRIER: If my hon. friend reads the order in council carefully he will see that the chairman of the steamship inspection board has the right, subject to the approval of the minister, to grant relief from certain parts of part VII of the Canada Shipping Act, having to do with steamship inspection. But it is clearly set out in the order that on no condition shall he grant that permission to proceed to sea if the ship is in an unseaworthy condition. The chairman of the steamship inspection board has repeatedly told me that on no occasion has he exempted a ship from the provisions of this part of the act when he was satisfied that the ship was in an unseaworthy condition. P.C. 4306, the second order, simply

relieves the ship from the operations of sections 113 and 114 of the act and sections 132 and 133 in so far as clearances are concerned. Both of these orders in council will be contained in the new amendments to the Canada Shipping Act which I hope to be able to bring down to this house.

Mr. GILLIS: As another deep-sea fisherman, I should like to say a few words on this particular item. I agree with the hon. member for Skeena. We are not so much concerned about the orders that are being retained as we are about the ones that are being wiped out, one of which is P.C. 133/510, with regard to compensation to seamen, war damage to effects and so on. Wartime conditions necessitated the passing of that order. It was presupposed that those sailing ships at that time would be sailing under conditions much more hazardous than and completely different from those which prevailed in peacetime sailing. So the government passed an order to compensate anyone who might run into difficulty because of wartime conditions in shipping. That particular order in council is being wiped out, but the very orders in council which set up the conditions that necessitated the passing of the previous order are being retained.

Despite the fact that the minister says the inspector can do this or that, on the approval of the minister, it is not what the minister says in this house that counts. I have all the respect in the world for him and his word. He is still boring down there at the strait of Canso. He has been telling me that all the time, and I believe him. But the fact of the matter is that, if it comes to a test, it is not what the minister said in *Hansard* that counts. It is what this order in council says that counts. I think the first order, the order for compensation that I am talking about, should have been retained if the conditions contained in the next two orders which protect and give a good deal of latitude to the shipping companies are to be retained; because the very conditions that you were trying to guard against there from the point of view of compensation are permissible to the shipping companies. Listen to this—and this is P.C. 2245:

> . . . to authorize . . . the chairman of the board of steamship inspection to relieve any ship, or the owner of any ship, from the obligation of complying with any of the provisions of part VII of the Canada Shipping Act . . . excepting therefrom those provisions of the said part and regulations made thereunder relating to radio and telegraph installations on ships. . .

And so on. The matter is entirely in the hands of the inspector of shipping. As the hon. member for Skeena pointed out, it does not make any difference what kind of ship it is. If the inspector says it is quite all right, you can sail. It is no use for someone to protest and say that the minister said in the house, "Well, that does not apply." If it does not apply, it should be wiped out. That particular section of the act which has been set aside afforded protection to the seamen. It guaranteed them that inspectors were obligated to see that certain standards were maintained with regard to ships that left port. All right then.

We come to the next one and it is much worse. Your compensation act was passed because the government visualized and, I think, rightly so, that every ship which could sail would have to be used during the war, that many of them would be in an unseaworthy condition and that sailors would be taking additional risks. So some extraordinary means of compensation was provided. The compensation is now wiped out but the conditions that made it necessary to pass the compensation provision in the first place are retained.

We now come along to P.C. 4306. This one is worse, but it is still being retained. If, as the minister says, these provisions that I have just been quarrelling with are not applicable, then this ought to be taken off the board also; run a stroke through it and say it is not necessary.

Listen to the next one, P.C. 4306, which is to provide for permission to Canadian registered ships to clear on any voyage with masters, mates or engineers not holding appropriate certificates, as amended by P.C. 8995. What does that mean?

Mr. CHEVRIER: It provides for permission to clear on a voyage, not on any voyage.

Mr. GILLIS: There is not any difference. The ship just goes out. That is all.

Mr. MacNICOL: Consider the poor crew.

Mr. GILLIS: If we read that, what does it mean? It means that you are cutting completely your standards for officers and their qualifications, and the guarantee to ordinary seamen that they have competent officers manning that ship when it leaves port. It places in the hands of the shipping companies the privilege and power of discriminating against men who have worked their way up, qualified and, now hold masters' certificates and so forth. That, too, maybe was necessary during the war when there were so many ships at sea, and when personnel was so difficult to obtain. But it is not necessary today, with the maritime service that was built up during the war, and with the large number of men

who took naval training and qualified at a good deal of expense and trouble to themselves. Men who hold these qualifications will demand adequate compensation for the services they rendered. So we are retaining here an order in council that enables shipping companies to pick up men out of the rank of the unemployed, men who are forced, perhaps through economic pressure, to take employment on ships of this kind, while, at the same time, you leave on the beaches men who are qualified. If this order in Council is not applicable; if it does not mean that; and if it is the intention of the Department of Transport to use personnel built up during the war, men who are qualified and competent, then this should be removed, and the Canada Shipping Act as applied to the trained personnel should be applicable instead of the wartime regulations.

You are removing now an order in council that made compensation applicable to certain personnel who may have run into conditions brought about by the order in council. Are you making any provision to replace that compensation order in council?

Mr. CHEVRIER: No. I told the hon. member for Skeena a moment ago that that order in council P.C. 133/510 has lapsed. No more claims have been made by virtue of it. Therefore it has used itself up. There is no need for carrying it on.

Mr. ARCHIBALD: For instance, a snag boat, *Port Essington,* ran into difficulty, and the men lost all their effects. This was a government vessel, and they lost all their clothing. There is no law which says that the government was liable for the clothing they lost. A boat of the Canadian National Railways burned up in Ketchikan, Alaska and, in that case, the railway company was not liable for the effects lost, but they did reimburse the men, out of the goodness of their hearts. Now the seafarers' international union wants to see in the Canada Shipping Act an item covering loss of effects, or an order along that line, which would apply in peacetime, so that if a ship is sunk at sea the men will be compensated for the clothes and personal belongings they had with them.

There is no difference between a boat going down in the middle of the Atlantic in peacetime and one going down in wartime. It is just the same thing. The water is cold.

Mr. GILLIS: I was just about to finish, but I wish to thank the hon. member for Skeena for helping. I do not think the minister's answer was satisfactory. It was to the effect that when there were no more claims the order in council should be allowed to lapse. If there were no more claims, so much the better. But why not leave the order in council there? In case of an emergency there may be claims. And, as the hon. member for Skeena has pointed out, a sailor who loses his effects at sea is just as seriously affected as if he had lost them during wartime. If it is not costing anything, except the fact that it is there against the time when something may occur, then it should have been carried forward; if you are going to carry these others forward.

Is there any intention on the part of the minister or his department to provide something along the lines contained in the terms of the order in council?

Mr. CHEVRIER: The order in council my hon. friend has dealt with is one which was passed under the War Measures Act, and it is explained in the order just what is meant by war damage. Perhaps I had better read it to the hon. member. Paragraph (c) of the regulations defines war damage as—

> Loss (including destruction) and damage caused by, or in repelling, enemy action or by measures taken to avoid the consequences of damage caused by or in repelling enemy action.

My answer was based upon the definition contained in the order in council when I replied to my hon. friend.

Mr. PEARKES: I regret I have not order in council 2245 before me, but I should like to ask the minister a question about it. My interpretation of it is that it is retaining certain easements in the selection of certain officers on ships which were removed during the war because of shortage of personnel.

Mr. CHEVRIER: That is order in council P.C. 4306; it is not P.C. 2245.

Mr. PEARKES: I was talking about P.C. 2245. I know the minister has had communications with radio officers from the Pacific coast. They have made representations to him in order that they may have their positions assured. Does the retention of this order mean that radio officers must be carried as heretofore on ships sailing on the Pacific coast?

Mr. CHEVRIER: The best way I can answer that is by saying that this does not affect the position which existed prior to the passing of the order, in so far as radio telegraphers or officers are concerned; that is, the order excepts radio and radiotelegraphy.

Mr. MacNICOL: Is P.C. 4306 retained because there is still a shortage of qualified men?

Mr. CHEVRIER: Quite so; that is the reason for it. I can also tell my hon. friend it is the intention to carry these two orders into the amendments to the Canada Shipping Act.

While I am on my feet, perhaps I might reply to the objection of the hon. member for Cape Breton South. These two orders in council as they now stand on the list of my colleague are today sections of the merchant shipping act of the United Kingdom. That country saw fit to include the terms of these orders and, in fact, to go farther than one of them, in their act. So that I do not think we make any mistake if we follow the precedent created there.

Mr. MacNICOL: I had in mind the accident which occurred on the St. Lawrence river not far from the minister's own home town. I believe it was a few miles up the river from Cornwall. Although I am not sure of the names of the vessels, I believe they were called the *Milverton* and the *Translake*. Those two ships may have had thoroughly qualified officers; I do not know, and I have no reason to say that they did not have. But I do know the waters there are quite narrow. I suppose the channel is less than a quarter of a mile wide, and it struck me at the time that that was a situation in which officers could not be too well qualified.

On the other hand, I have no doubt there are many officers who have not certificates but who are thoroughly qualified to navigate ships in certain waters. My reason for rising was to ask whether there is still a shortage of qualified officers.

Mr. CHEVRIER: Yes, there is.

The DEPUTY CHAIRMAN: Are these orders in council agreed to?

Some hon. MEMBERS: Carried.

The DEPUTY CHAIRMAN: Then, under the Department of the Secretary of State we have P.C. 1665 and P.C. 469.

Some hon. MEMBERS: Carried.

Mr. ILSLEY: Then, Mr. Chairman, there is still certain information we have to get for some hon. members. Therefore I would move that the committee rise, report progress and—

Mr. KNOWLES: Before the minister makes his motion, I wonder if I might ask a question with respect to two orders in council which have been discontinued and which, therefore, were not called today. These two are listed under the Department of Mines and Resources. I notice that the minister of that department is not with us at present but perhaps the Minister of Reconstruction and Supply could answer my question. The orders in council to which I refer were P.C. 7167 and P.C. 7168, having to do with reserves to the crown in the matter of radioactive substances in the Yukon Territory and in the Northwest Territories. The question I should like to ask the Minister of Reconstruction and Supply is this: What is the situation now with respect to radioactive minerals? What kind of controls are exercised over those minerals by the federal government, with respect to exploration and exploitation, as well as production and final ownership?

Mr. HOWE: I am glad my hon. friend has asked that, because it permits me to place on *Hansard* a statement that I have been intending to put on the record for several days.

Mr. KNOWLES: I want to assure the committee that there is no collusion in this.

Mr. HOWE: It will be recalled that orders in council passed in 1943 reserving title to radioactive minerals on crown lands in the Northwest Territories and the Yukon were extended under the Continuation of Transitional Measures Act, 1947, largely because the question of ownership of ores in the ground was still under discussion in the united nations atomic energy commission and it was felt that no action should be taken here that might embarrass those discussions. Since then, the second report of the united nations commission has been published, and that report does not contemplate ownership of ores in the ground by any international authority which may be established. As I told the house on March 25 last, the policy of the government is that radioactive material be controlled after it has been mined and the atomic energy regulations of Canada provide for this sort of control.

While the orders in council were in effect and until the atomic energy regulations had been passed, it was necessary that mining operations be exclusively in the hands of the government. The whole situation has been reviewed in the light of present circumstances and changed conditions, and the government is now satisfied that it is in the best interests of Canada that restrictions against private prospecting and private development of radioactive minerals should be removed and has accordingly revoked the orders in council which reserved to the crown title in these minerals in the territories.

The policy decided upon is as follows:

The government will purchase through Eldorado Mining and Refining (1944) Limited,

or other designated agency, acceptable uranium bearing ores and concentrates on the following basis:

1. A minimum uranium content equivalent to 10 per cent by weight of uranium oxide (U_3O_8) in the ores or concentrates will normally be required.

2. Price will be based upon the uranium content of the ores or concentrates and will be at the minimum rate of $2.75 per pound of contained (U_3O_8) f.o.b. rail and will be guaranteed for a period of five years.

3. This price includes all radioactive elements in the ores or concentrates, but consideration will be given to the commercially recoverable value of non-radioactive constituents by adjustment of price or by the redelivery of the residues containing such constituents.

4. Under special circumstances, consideration may be given to payment of a higher price or to acceptance of ores or concentrates of lower grade.

5. All operations will be carried on subject to the provisions of the atomic energy regulations of Canada.

That constitutes the new policy. As noted, the new policy permits private exploration and private mining and proposes to encourage both by putting on the ores a definite minimum value, which will be the minimum value for the next five years. I might say that I was interested to note that the semi-annual report of the United States atomic energy commission to the Senate and the House of Representatives, which reached me only yesterday, contains the following two paragraphs:

> The commission believes new reserves of source materials can best be developed by competitive private industry, under the stimulus of profits, and the means of accomplishing this are under study.
>
> In general it will be commission policy to purchase ores for its program from private sources and limit direct government production as far as possible.

It would seem that, although we arrived at the Canadian policy independently, the policy of the United States will follow parallel lines.

The DEPUTY CHAIRMAN: What is before the committee now is Bill No. 136. The minister suggested that the committee rise, report progress and ask leave to sit again.

Mr. KNOWLES: This is an important matter. I think the Minister of Justice should not press his motion that we report progress.

The DEPUTY CHAIRMAN: The hon. member rose while we were waiting and asked permission to ask a question about some of the orders that had been revoked.

Mr. KNOWLES: And got a staggering answer.

The DEPUTY CHAIRMAN: What is before the committee now is this bill. We have dealt with the bill as far as we can go and the minister has suggested that the committee rise and report progress.

Mr. KNOWLES: On a point of order, technically speaking we are not dealing with any item at all; we are dealing with section 1 of Bill No. 136. The effect of this one-section bill is to amend section 7 of the original act and thus keep the whole of chapter 16 of last year's statutes in effect. Technically speaking, I think any discussion relating to the act that is being extended is in order. The Minister of Justice has moved that we rise and report progress. If he presses that motion and the committee carries it, of course I have no option, but I appeal to the Minister of Justice not to press his motion at this moment.

Mr. ILSLEY: If it is in order to discuss revoked orders, and I must say that up until this moment I thought it was, I am content to have the discussion now rather than later. Perhaps Your Honour could rule as to whether it is in order to discuss revoked orders. I gave the committee a list of the revoked orders and they were put on *Hansard* to show what had been done last year under the act. We are extending that act and I should think we could discuss revoked orders.

Mr. NICHOLSON: I might mention that the two orders in council which we have discussed were revoked on December 30, 1947. I am sure that hon. members have not had a chance to look at the statement of the Minister of Reconstruction and Supply. It is a most important statement, which indicates a change of government policy, and I think it should be in order to discuss it at this time. In view of the fact that the two orders in council which are mentioned were revoked at the end of December, hon. members should have a chance to discuss them.

The DEPUTY CHAIRMAN: This whole procedure is irregular, and I think everybody understands that. We did agree, by unanimous consent, to discuss these items, and if the committee is willing to carry on this discussion we shall do so. But it would be by unanimous consent, not by any rule that would govern.

Mr. HOWE: I have a suggestion to make. The statement I have made is important and no one has had a chance to examine it. Per-

haps we might postpone further discussion on this matter until the committee was again considering this bill.

Mr. KNOWLES: I am quite happy to accept that suggestion if it is understood that a discussion of this statement will be in order when we are in committee again on this bill.

Mr. ILSLEY: There cannot be any understanding such as the hon. member is asking for. You cannot make a bargain that if we agree that a certain thing is in order we shall take it up later when, in fact, it is not an order.

Mr. KNOWLES: I am not trying to drive any kind of bargain. The Chairman has said that this can be done by unanimous consent. I am not bargaining with him on that point. All I am asking is that if it is to be done by unanimous consent, I am quite prepared to have that unanimous consent apply to tomorrow as well as to this evening.

Progress reported.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed from Friday, March 12, consideration of the motion of Mr. Howe for the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Mr. C. C. MILLER (Portage la Prairie): Mr. Speaker, while it is true that on Friday evening I moved the adjournment of this debate I feel that, since I had an opportunity to discuss this subject, first on the resolution, and again on the second reading last Friday, I should not take up too much of the time of the house but should allow other hon. members to have their say. On further reflection I think that, for the time being in any event, I have pretty well concluded my remarks.

Mr. F. E. JAENICKE (Kindersley): Mr. Speaker, I rise to support the bill.

As to the first section of it, which provides for the establishment of a pension fund for the employees of the wheat board, I am of the opinion that the farmers will look with favour upon this proposal, provided, of course, that the funds to be taken out of the moneys of the wheat board are reasonable, and I submit that any such deductions from the wheat board funds should be reasonable. In order to ensure that they shall be reasonable, I would suggest to the government that in committee we should add a subsection to this clause to the effect that the advisory committee of the wheat board should consent to the deductions to be made out of the board's funds. I rather welcome this section because it lends an air of permanency to the wheat board act which it lacks at the present time.

The second section deals with payments to producers. It is under this section that the farmers expect further payments to be made on their 1945, 1946 and 1947 deliveries. It is this part of the bill which is particularly urgent, because the money is so badly needed by the farmers in the west at the present time. I am hoping that these payments will be made as large as possible. In view of the international wheat agreement which has just been concluded and the short supply of food in general, I think the board would be justified in paying out all the moneys which they now hold in trust for the farmers.

I have received numerous letters from farmers in my constituency in connection with these anticipated payments to be made by the wheat board, and I must say that the farmers feel that much more should be paid to them than the rumoured twenty cents. Unless the payment is as generous as possible, there will be great disappointment and great dissatisfaction.

I also think that, when making these payments, the board should send along a brief statement showing the farmer what has happened to his wheat that he delivered to the board. I should like to read part of a letter which I received from a farmer in my constituency, in order to give the house some idea of what the general feeling is among the farmers. He says, in part:

> Sixty-five per cent of the farmers are without seed and feed.

Remember he writes from the northwestern part of my constituency, where he experienced a crop failure last year. He goes on:

> Owing to the bad season thousands of them are walking the streets trying to find a dollar to feed wife and children. Why should the wheat board be allowed to keep this money, and when spring comes farmers have to get down on their knees to managers of chartered banks only to be insulted? The wheat board has to account for three hundred million bushels sold at over $3 a bushel. This is not including what they sold to Britain. There is also a 160,000,000 bushels that the millers subsidized to farmers at 30 cents a bushel. We are asking you to put that before the government and not to accept payment of twenty cents a bushel.

I cannot vouch for the correctness of the figures this farmer gives in his letter, but I am putting the letter before the house to show what the farmers on the prairies are thinking,

and to urge upon the government the necessity of making the largest possible payment and submitting to the farmer at the same time a brief statement of what has happened to his wheat.

With respect to the last part of the bill, which concerns the marketing of oats and barley, I am really amused by the arguments advanced in this house that the majority of the farmers of western Canada do not favour the handling of coarse grains by the wheat board or by some grain board. The hon. member for Calgary West (Mr. Smith) was undoubtedly the most outspoken proponent on behalf of those who wish to go back to the open market system of marketing grain. While I respect his views, to which he is, of course, entitled, I should like to quote what he said at page 2119 of *Hansard*:

> So I say that with respect to barley and oats . . . there is no majority demand in western Canada for the passing of this legislation.

Again, at page 2124 of *Hansard,* he says:

> So we find ourselves in this position. This measure is not seriously asked for by anyone. The Canadian Federation of Agriculture is divided on it; we know that.

The hon. member for Melfort (Mr. Wright), as well as the hon. member for Rosthern (Mr. Tucker) and other members from the west have already refuted these arguments and have shown, especially in connection with the resolutions and representations of the Canadian Federation of Agriculture, that this body has for the last three years definitely asked for this legislation and has stood on the side of orderly marketing through a grain board. I shall have a little more to say about that later on so far as my own constituency is concerned.

There has been considerable agitation on behalf of the members of the grain exchange in Winnipeg to return to the open market system, and the tactics employed to persuade the farmer to change his mind about this orderly marketing are the same as the arguments employed by my hon. friend the member for Calgary West.

Major Strange, a public relations officer of the Searle Grain Company, one of the big companies doing business in the west, has been particularly active in this respect. In a letter to the editor of *Saturday Night,* published in an issue of that periodical on March 6, he proposes to show or prove exactly the same thing that the hon. member from Calgary West tried to show the other day, namely, that there is no majority demand in western Canada for the handling of grain, including wheat, by the wheat board.

In this letter Major Strange says in part:

> The Searle Grain Company has just published the results of a recent poll which reveals that 76·4 per cent of the farmers are now gravely dissatisfied.

Undoubtedly he refers to an organized campaign by the Searle Grain Company, through their local elevator agents, of circulating among the farmers and presenting to the Minister of Trade and Commerce (Mr. Howe) a petition asking for higher prices of grain. This petition was circulated among farmers in these points where the Searle Grain Company have elevators. The company was good enough to advise me by letter on December 10, 1947, that petitions had been sent in to them from five points within my constituency. To the letter was attached a copy of a letter to the then minister of trade and commerce, in which they enclosed the petitions, and in this letter they wrote as follows:

> So far we have received about half of the replies which we anticipate will come in, and those who are dissatisfied with present prices and wish higher prices represent 79 per cent of the farmers from these points.

I wrote the company asking them to let me have a copy of the petition and also the number of signatures which they had received from the five shipping points in my constituency, and they were good enough to send me a copy of the petition and to advise me of the number of signatures. The petition, it is true, did not ask for a return to the open market, but it was worded in such a manner that its aims could be realized only by returning to the open market system of marketing our grain. The number of signatures in these five shipping points in my constituency were from six to thirty-five and the total was under sixty. This was, of course, a negligible number. I certainly dispute the fact that these represent the opinion of seventy-nine per cent of the farmers from these points.

I may say that in my constituency I have eighty-five shipping points; therefore these five points that sent in these petitions is a very small number indeed. Since last November; yes, even since last October I have received resolutions from wheat pool committees in at least half of these shipping points, urging that the wheat board should be the sole marketing agency for all grains, which means wheat and all coarse grains. The wheat pool membership in my constituency is 7,136, out of a total population of 32,000. I admit that there are some duplications, and some of these members are not active producers any more, but I think I can safely say, after

going through my petitions, that ninety per cent of the farmers in my constituency, perhaps more, are members of the wheat pool, and the resolutions which have been sent in to me represent almost the unanimous opinion of these wheat pool members.

Undoubtedly the Minister of Trade and Commerce and the Minister of Agriculture (Mr. Gardiner) have received copies of these resolutions; in fact, I know they have, and perhaps they have received more than I have. These resolutions, without one exception, ask for the marketing of coarse grains by the wheat board or by some grain board.

I do not wish to repeat the arguments previously made to support my contention. The stand of the Canadian Federation of Agriculture has been mentioned several times. The presentation made by the hon. member for Rosthern of the feeling of the rural municipalities saves me from quoting from the proceedings of their convention which was held in the last week in February. There is no question that this convention—that is the convention of the Saskatchewan association of rural municipalities—is certainly representative of Saskatchewan agriculture. Besides the numerous resolutions, I have received numerous letters from outstanding farmers in my constituency. I should like to quote just one short paragraph from a letter of one who, for decades, has been high in the councils of agriculture. This is what he says:

> With particular reference to feed grains being placed under the wheat board, there is no question that the overwhelming majority of western farmers are in favour of this move. Personally I have yet to meet one farmer since October 21 who is in favour of the futures market for any of their grain.

I should like to place on record the resolution which was passed by the Saskatchewan legislature on March 4 last. This resolution was unanimously adopted by the legislature. A division was called and it was passed unanimously, with no vote against it. The Liberal members and the soldiers' representatives voted with the rest of the members of the legislature in favour of this resolution:

> That this assembly:
>
> (1) Records its opinion that the removal of marketing controls and the return to the medium of speculative trading in coarse grains has caused uncertainty, hardship and widespread loss to producers of coarse grains and livestock, and that only through the orderly marketing of all grains will producers enjoy the benefits of long-term stable prices, and,

> (2) Urges that the dominion government:
>
> (a) reimburse all producers who marketed their 1947 coarse grains prior to the decontrol order of October 21, 1947, for their losses out of the speculative profits made on their grain—

Mr. SPEAKER: Order. I must call the attention of the hon. gentleman to the fact that we have before the house second reading of Bill No. 135, to amend the wheat board act.

Mr. JAENICKE: Mr. Speaker, I submit that I am entirely in order. I am asking that the bill be adopted and that the farmers are asking for the approval of this act which is now under consideration. Surely I am in order. I continue:

> (b) immediately establish a national marketing board with adequate producer representation, to market all grains in an orderly manner, and
>
> (c) simultaneously and permanently close the Winnipeg grain exchange.

I do not think, Mr. Speaker, there is any argument whatsoever that this move to let the wheat board handle grains exclusively is the wish of the vast majority of the farmers on the prairies. Who else has really anything to say in the matter? Surely it is the farmers' business, and they ask us today that we help them establish orderly marketing which they think is essential for their well-being.

I come to the last part of the amendment which refers to oats and barley. I am sorry that the Minister of Trade and Commerce now talks about necessary complementary legislation as if the proposed section dealing with oats and barley were ultra vires, as the Minister of Agriculture hinted last year it might be. I maintain that the proposed legislation is neither ultra vires, nor does it require complementary legislation on the part of the provinces. No one contends that the act, as it now stands, is ultra vires; and if it is in the powers of parliament to legislate about orderly marketing of wheat in the realm of interprovincial and international trade, why should parliament not have the same powers with respect to oats and barley and any other grain? That is the way the farmer would argue, and, of course, he would be right.

The Minister of Justice (Mr. Ilsley) was asked last year about the constitutionality of the act as we now have it. This is what he said on February 21, 1947, and it can be found in *Hansard* of that year at pages 839 and 840:

> The opinion of the law officers of the crown is that the bill as drafted is within the constitutional powers of the dominion parliament. Naturally that is so; otherwise the government would not have introduced it.

The bill is the exercise of the power of the dominion parliament to regulate interprovincial and export trade and commerce in wheat produced in designated areas . . . There may be other constitutional bases upon which the legislation can be set, but the main reliance for constitutionality of the legislation is upon the trade and commerce power in section 91 of the British North America Act . . .

It should be understood that the producer will have the option of selling the wheat which he grows either into interprovincial or export markets through the Canadian wheat board or, alternatively, into local markets in the provinces, which he may do himself, not through the Canadian wheat board.

The quota control is based upon our jurisdiction over elevators and mills designated as for the general advantage of Canada, and over railways.

That concludes the quotation from the Minister of Justice, and I may say with that I fully agree. I have no doubt that this opinion is based upon the law propounded in the reference re the Natural Products Marketing Act, 1934, case. The decision of the Supreme Court of Canada is reported in 1936, 3 D.L.R., 622, and the judgment of the privy council upholding the Supreme Court of Canada is contained in 1937, 1 D.L.R., 691. The result of the decisions was that the act was held to be ultra vires because, in the language of the Chief Justice of Canada, Sir Lyman P. Duff, contained on page 644 of the report:

The powers of regulation vested in the commissions extend to external trade and matters connected therewith and to trade in matters of interprovincial concern, but also to trade which is entirely local and of purely local concern.

In other words, the act was held to be ultra vires because it concerned trade within the province itself, while, of course, this act concerns itself only with interprovincial and external trade. I think it would be well to quote a further paragraph from this famous judgment in order to make it absolutely clear that the wheat board act as it now stands, and as it is proposed to be amended, is fully within the competence of parliament. The chief justice quotes from the Parson's case on page 625:

Construing therefore the words "regulation of trade and commerce" by the various aids to their interpretation above suggested, they would include political arrangements in regard to trade requiring the sanction of parliament, regulation of trade in matters of interprovincial concern, and it may be that they would include general regulations of trade affecting the whole dominion.

And again, on page 626:

Here again there is no suggestion that trade in a particular commodity, in so far as it is external trade or interprovincial trade, is not within the exclusive regulative authority of the dominion.

After reviewing numerous decisions on the powers of parliament on the subject of trade and commerce, the chief justice says this, at page 629:

It would appear to result from these decisions that the regulation of trade and commerce does embrace the regulation of external trade and the regulation of interprovincial trade and such ancillary legislation as may be necessarily incidental to the exercise of such powers.

Mr. HOWE: May I ask my hon. friend a question? I do not think anyone disputes the fact that the federal government has complete control of trade crossing interprovincial boundaries, but will my hon. friend explain how the board can control trade within a single province?

Mr. JAENICKE: That is not proposed in the act. All that is proposed in the legislation that is before us is to have interprovincial and external trade in oats and barley.

Mr. HOWE: But may I point this out. We have no doubt whatever that the present bill is wholly legal and within the competence of the federal parliament to pass, but the point is that a workable marketing system cannot be based upon that bill, unless the marketing authority can also control marketing within a single province.

Mr. JAENICKE: I submit that the wheat board act seems to have worked all right in the last twelve months in regard to wheat; and I further suggest that on the same basis, and under the same provisions as are proposed in this bill, the wheat board will also satisfactorily handle the trade in oats and barley in interprovincial and external trade. The act itself says, in subsection 3, of section 2, that the board is incorporated with the object of marketing in an orderly manner, in interprovincial and export trade, grain grown in Canada, and shall possess certain powers. It does not say wheat, but grain in interprovincial and export trade. This section just quoted is contained in Part II. Part II is not being amended, because it deals with all grain and not just wheat; it is only parts III and IV that deal with wheat, and the section I have quoted is taken from part II. We come to part III, which is to be extended to oats and barley, and again "the board shall undertake the marketing of wheat produced in the designated area in interprovincial and export trade," and all that the amendment will do will be to give the board power to undertake the marketing of oats and barley produced

in the designated area in interprovincial and export trade. Again, in the heading of part IV, it is stated distinctly that it just deals with interprovincial and export trade, and all three sections of part IV deal with nothing but interprovincial and export trade. Part IVA, which is to be added, provides that the governor in council may, by regulation, extend the application of part III or of part IV or of both to oats and barley, and the new part IVA therefore will effect only transactions in interprovincial and export trade in those two commodities, oats and barley; and of course it is quite within the jurisdiction of parliament to legislate.

There is one thing which is not quite clear to me. Why should oats and barley transactions be subject to order in council? Why not just say that the board shall undertake the marketing of oats and barley in the designated area in interprovincial and export trade and that parts III and IV shall be made applicable to oats and barley? This is what the farmers want. In fact they want to include all grain. Why leave it to the whim and fancy of the government as to whether or not oats and barley shall be handled by the wheat board?

Another aspect which I do not like, and about which we shall need an explanation, is this. This amending section says that the government may, by order in council, apply or extend the provisions of part III or IV to oats or barley or to both. In my opinion it should say "and". That is, parts III and IV should apply to oats and barley, because it seems to me that both are necessary, one supplementing the other.

Coming back to the constitutional aspect, I wish to repeat that I do not think there is any question of constitutionality involved. If that is so, why all this talk about complementary legislation by the provinces? I am sorry that the hon. member for Rosthern seems to agree with that, that he thinks it should be supported by effective provincial

The act is, in my opinion, intra vires on its own merits, and all this talk about supplementary and complementary legislation by the provinces is already interpreted in the country as being the government's excuse for not enforcing the provisions of this enactment, and that the government has no intention or wish that it should be enforced. I am not saying that; I say that is the rumour. That is the belief which is current in the country at the present time.

Mr. TUCKER: Will the hon. gentleman permit a question?

Mr. JAENICKE: Yes.

[Mr. Jaenicke.]

Mr. TUCKER: Is it not correct that at the last meeting of the pool delegates, a resolution was passed that complementary legislation should be passed to clear up any doubts about jurisdiction?

Mr. JAENICKE: I do not know the exact resolution, but I am informed that they say that if it is necessary it should be passed. The pool delegates might have passed a resolution with respect to the passing of supplementary or complementary legislation in order to make legal transactions within the province. That may be so, and if they did, that is fine. But the idea which is current in the country is that parliament has no power to let the wheat board handle oats and barley in interprovincial and export trade without supplementary legislation.

Mr. HOWE: Does my hon. friend think a workable control of oats and barley can be exercised if the board handles less than twenty per cent of the crop?

Mr. JAENICKE: Yes, I think so.

Mr. HOWE: I do not think so. I would not care to try it.

Mr. TUCKER: Would the hon. member say that when the wheat pool pass such a resolution they are doing it to undermine confidence in the wheat board's competence to handle wheat?

Mr. JAENICKE: I hope not.

Mr. TUCKER: Then why say it about this legislation?

Mr. JAENICKE: It looks like the manoeuvres of 1922 when the farmers of the west, almost with one voice, demanded the wheat board, and the then government, at the insistence of the Progressive party, who spoke for the farmers of the west, passed chapter 14 of the statutes of 1922, being the wheat board act. This at least was openly and clearly subject to complementary provincial legislation, and this is what the act said in section 10:

> The board shall have capacity to receive, have, enjoy, and exercise such further rights as may be conferred up it by the legislature of any province.

And section 19 reads:

> This act shall come into operation as soon as two or more of the provinces have enacted such legislation as the governor in council may consider necessary or adequate to enable the board to have or enjoy such of the powers, rights, and privileges which were passed by the Canadian wheat board of 1919.

Those are the two sections which were contained in that act. The Saskatchewan legislature was called into special session, I believe, and on July 27, 1922, they passed their act

giving the board all the powers contemplated by the dominion act, and even more. But to no avail. There was no wheat board. I think Alberta did the same. I do not know what happened in Manitoba. In any event, the dominion government passed the buck at that time.

But what interests me more about this 1922 legislation is this. If the dominion passes a statute which they think should be complemented by provincial legislation to make it effective, why do they not say so in the amendment? If it is the contention of the minister that this amendment requires complementary provincial legislation, then I think some provision should be made in the bill which is now before us similar to what was done in 1922.

I am very much afraid that this talk about complementary legislation by the provinces is just an afterthought which might have occurred to the minister after receiving some representations following the introduction of his resolution. I would be sorry to think that is so, but I can imagine it might be. The minister must be swamped with representations of conflicting interests. Of course, in spite of his great capacity and ability, which we all respect, he is only human. And in that spirit I should like to appeal to him to consider the greatest good for the greatest numbers. The greatest numbers are undoubtedly the farmers who have asked for orderly marketing.

What is contained in this bill is not all that they have asked for. But I ask the minister to forget about complementary legislation, and if some further sections are necessary—as, for instance a clause to make it absolutely clear that the law does not interfere with any transactions completed within one province; and I may say I do not think it needs to include that—let him do it in committee or, if the board is to have larger powers for handling oats and barley, which would require further legislation, although I do not think it is necessary, then let the minister tell us now. I am satisfied that the large majority of the farmers in the designated area want this legislation. Let us quit beating about the bush and give it to them.

Mr. J. S. SINNOTT (Springfield): I wish, Mr. Speaker, to compliment the hon. member for Kindersley (Mr. Jaenicke), on his well-prepared speech in regard to this bill.

An hon. MEMBER: And well delivered too.

Mr. SINNOTT: I think he covered the subject fairly well and most of the western farmers are in accord with what he has said. I was in the house last Friday, when the hon. member for Portage la Prairie (Mr. Miller) spoke. I wish to congratulate him on the marvelous feat he performed. I know he wanted to help the farmers when he rose to speak. He said, as reported at page 2196 of *Hansard*:

> No matter how loudly the hon. member for Rosthern may talk, there can be no accusation that hon. members on this side of the house are responsible in any way for that delay.

As I said, the hon. member did a remarkable job in holding the house until after eleven o'clock, while his Tory friends were catching the 10.30 p.m. train to Toronto. To prove that fact, I point out that when he had an opportunity to speak tonight, he spoke for only two minutes.

Mr. CASSELMAN: He had only two minutes left.

Mr. ROSS (Souris): An hon. member is allowed only forty minutes at a time.

Mr. SPEAKER: Order.

An hon. MEMBER: The train does not leave until eleven o'clock.

Mr. SINNOTT: As I say, Mr. Speaker, I do not know why there should be all this quibbling about this legislation; I do not know what it is for. There is a great deal of opposition on the other side of the house. The hon. member for Portage la Prairie said, as reported at page 2197 of *Hansard*:

> I suggest that the government do not know themselves whether they intend to have the wheat board handle coarse grains this year, next year or ten years from now.

Mr. ROSS (Souris): Do you?

Mr. SINNOTT: If there is any sense in wasting time when they have this thought in mind, it is beyond my comprehension.

Mr. SMITH (Calgary West): Turn over the page.

Mr. SINNOTT: I shall possibly have to turn it in order to make a few remarks about one of the members on this side who spoke last Friday, and I refer to the hon. member for Winnipeg South (Mr. Mutch). He said, as reported at page 2192 of *Hansard*:

> Before this bill goes to second reading, I wish to express my view and the view which I conceive to be that of a good many Canadians on part of this bill before we are required to vote on the principle of it.

Mr. ROSS (Souris): Louder, please. We cannot hear you.

Mr. SINNOTT: Then there seems to be a certain group who are alarmed about what the farmers are doing. I think I can say whole-

heartedly that I am in agreement with the last speaker who said the farmers can very well look after themselves if they are let alone.

Mr. SINCLAIR: They cannot make enough butter.

Mr. ROSS (Souris): Have you still your ticket over there?

Mr. SINNOTT: The hon. member for Winnipeg South says that he had some relatives on the farm and that, while he did not have any physical work on the farm, he knew something about it. He was just a little bit closer than the hon. member for Calgary West (Mr. Smith), who said his great-grandmother had a farm out there and that they did very well.

Mr. MUTCH: The difference between the hon. member and me was that I left my fork on the farm.

Mr. SINNOTT: They sold their wheat at fifty cents a bushel. They took it into Calgary and they made sufficient money on wheat to retire on. If that is what the friends of the hon. member for Calgary West have done, I wish them well. But I would ask him if he would want to do the same himself today.

Mr. SMITH (Calgary West): They have been dead for about twenty years. But outside of that the hon. member is all right. Wish them well.

Mr. SINNOTT: Yes, I know. The hon. member admitted the other night that his hindsight was better than his foresight, which has been borne out.

Mr. ROSS (St. Paul's): What are you reading from?

Mr. SINNOTT: I am reading from a few notes, if you want to know.

An hon. MEMBER: Time.

Mr. SINNOTT: There is plenty of time. Do not worry.

An hon. MEMBER: Louder.

Mr. ROSS (St. Paul's): Put it in *Hansard*.

Mr. SMITH (Calgary West): You are losing leadership every minute.

Mr. SINNOTT: While under this legislation it is possible to market coarse grains under the wheat board, it does not say that it should be done immediately, but it is giving us the chance to have legislation brought down, whereby, if necessary, the committee can be formed and every angle looked into from the point of view of various parts of the country, represented by the various farm organizations. The hon. member for Calgary West has said that it would be to the disadvantage of the eastern feeders and to the disadvantage of the western farmers to have this board set up. That is not so.

Mr. SMITH (Calgary West): I said it would be to the advantage of the eastern feeders. Let us have something straight.

Mr. SINNOTT: That is not so. If you will sit down we shall get somewhere. While the farmers of western Canada are agreed on this—

Mr. ROSS (St. Paul's): The hon. member insists upon reading his speech.

Mr. SPEAKER: Order.

Mr. ROSS (St. Paul's): If so, he should read it properly.

Mr. SINNOTT: I could not hear the hon. member's remark, but I believe he said something about my reading my speech. I have a few notes here; but they are nothing like the Eaton's catalogue he was reading from a couple of weeks ago.

As I was saying before, the farmers of western Canada want the government to bring this legislation into effect, whereby they can have a stabilized market for coarse grains, the same as they now have for their wheat.

In holding up this legislation, the way we are—

Some hon. MEMBERS: Oh, oh.

Mr. SINNOTT: Seeing that we have such applause, I should like to say this, that if the hon. member for Portage la Prairie had stopped speaking on Friday last we would have had this bill through the house now.

Mr. ROSS (Souris): It was the hon. member for Provencher (Mr. Jutras) did it.

An hon. MEMBER: How about sunflower seed?

Mr. SINNOTT: If this legislation is brought down this year it will be of advantage to the farmers of the west. But, if it is not, we are satisfied it will be brought down in another year. We will not stand by and see the Winnipeg grain exchange play with the grain that the farmers of western Canada have toiled night and day to grow.

I hold in my hand an advertisement paid for by the Winnipeg grain exchange, in which they give the farmers all the answers. They ask: "Are you free to choose when, where and to whom you shall sell your wheat, and at what price?" Then they give the answer: No.

These fellows who operate the grain exchange are doing all right for themselves. If one were to visit some of their houses in Winnipeg,

houses of men who never turned a sod in their lives, and who do not know wheat from barley, he might understand why they are kicking. No wonder they complain about this legislation, and are going to great lengths to discourage orderly marketing.

I have some figures here which I believe have not yet been placed before the house, and which show a good many millions of dollars placed in the pockets of the farmers in the past few years. These figures show that in the week ending July 13, 1932, No. 1 northern was selling for fifty-three cents a bushel, and No. 3 northern for forty-eight cents, or a spread of five cents. In the week ended July 23 the spread was 5·9 cents. In the week ended September 16, 1943, the spread was 10⅜ cents, and in the week ending September 23, it was 7·58 cents. Then on September 27, just prior to the board's taking over, the spread was 7⅛ cents.

Since the board has taken over, the spread has remained constantly at five cents. This has represented a considerable saving to the western farmers on the millions of bushels of grain sold.

While the Minister of Trade and Commerce (Mr. Howe) has not been on the job very long, it has not taken him long to find out what the farmers need. I commend him for his interest in the matter, and upon offering this amendment. Section 29A is new. This section empowers the governor in council, by regulation, to extend to oats or barley the system now employed in handling wheat. In such case, part III may be brought into effect only at the beginning of a crop year and the pool period is limited to a year. Certain sections specifically applicable to wheat are excluded.

I believe my professional friend the hon. member for Kindersley covered the legal aspect of the matter. If we discontinue quibbling in respect of the legislation, as some hon. members opposite are doing, in the hope that it may not be brought into effect, we would get along faster. I believe if we take a vote on it as soon as possible we shall be able to get away at least a day sooner for the Easter vacation.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I need hardly say that I shall not make any attempt to reply to the speech just made by the hon. member for Springfield (Mr. Sinnott). The reasons are obvious: I do not know what he said, and I do not know where he stands.

I would correct him in one thing I did hear, however; and I am sure he would not care to leave a wrong impression with Your Honour or with the house. He proceeded to quote me—perhaps I should say he paraphrased what I was supposed to have said—by stating that this would act to the detriment of the western growers and the eastern buyers as well. If he cares to look it up he will find that, obviously, I did not say that.

I turn now to the odd remark made by the hon. member for Kindersley (Mr. Jaenicke). I suppose there would be no law business if lawyers did not disagree. For the moment I am not going to argue the constitutional aspect of the matter. Indeed, I am relying on exactly the same case to which he had referred. I shall quote only a few lines from the conclusion of the judgment of Mr. Justice Duff, which apparently the hon. member did not read, or perhaps did not read with his usual care.

This appears in a special edition of the case published by the king's printer in 1937, and contains the text of the act and the judgment of His Lordship Sir Lyman Duff, Chief Justice of Canada, and also the judgment of the privy council. I would read only these few lines from the judgment of Mr. Justice Duff, in closing:

> To summarize: in effect, this statute attempts and indeed, professes to regulate in the province of Canada, by the instrumentality of a commission or commissions appointed under the authority of the statute, trade in individual commodities and classes of commodities.
>
> The powers of regulation vested in the commissions extend to external trade and matters connected therewith and to trade in matters of interprovincial concern; but also to trade which is entirely local and of purely local concern.
>
> Regulation of individual trades, or trades in individual commodities in this sweeping fashion, is not competent to the parliament of Canada and such a scheme of regulation is not practicable.

Those are the final and deciding words of His Lordship in that case and, as I say, we are both relying on the same case for the views which we hold.

I want to turn back for a moment and correct a statement in the speech I made on Thursday last. I used a word wrongly and I want to apologize to those to whom it applied. I was interrupted by some hon. member to my left. After I had said that the wheat pools in the west had gone bankrupt, someone interrupted and said that that had happened because they had advanced too much money to the farmers. I then suggested that it was on account of the stupidity of the directors. It was really a mistake in judgment of the directors, and that is what I meant to say.

However, in the excitement of the exchange I used the word "stupidity", which I had no right whatever to use.

I should like to make a second correction. I was interrupted by another hon. gentleman to my left, I think it was the hon. member for Melfort (Mr. Wright), when I was speaking of one Aaron Shapiro who came out west and formed our wheat pools. He suggested that they had asked him to come there and I agreed with him. But I was wrong. Aaron Shapiro came to western Canada and was paid for his trip by the Calgary *Herald* and the Edmonton *Journal*. The farmers of Alberta and Saskatchewan had nothing whatever to do with the invitation to that man to come to the country. Those newspapers asked him and they paid his expenses and fees.

I am going to say only a word or two about barley and then I shall sit down. This is really a governmental matter and not so much a pool matter. We are well aware of this fact, and I am bringing it out because of the injury that certain policies may do us in the future. There is an embargo on the export of barley to the United States and one can export only under permit. In times gone by, they got a good deal of money from that, because the price of the permit was roughly the difference in the prices prevailing in the two countries. From that they formed an equalization fund which helped in making payments to the grower for the barley so handled.

For some time malting barley sold to maltsters and brewers has commanded a price of $2.50 a bushel—a while ago it was $2—in the middle western United States which are quite close to us. That is the logical market for that product. I know it has become a habit with some people to say that we talk too much about the western farmer and his products. I am anxious to assure the eastern members that we are not down on our knees asking for anything from anybody for the western farmer. We believe he has been the goat in connection with hogs and cattle and everything he grows, whether it be animal or vegetable, ever since these controls came in. As we have so often said, he is still controlled while that which he buys is not controlled.

I give you this simple picture of a bushel of malting barley. It weighs forty-eight pounds and it will make thirty-six pounds of malt. That has been selling for hog feed because, while we had ceilings, there was no distinction in the grades of barley. Everything went at the ceiling price and you got for low-grade barley the same price as you got for malting barley, which, of course, always carries a premium.

[Mr. Smith (Calgary West).]

Mr. GARDINER: May I suggest a correction? Malting barley was marketed directly to the maltsters and a premium was paid on it. It was not marketed in the same way as the other barley.

Mr. SMITH (Calgary West): I realize that that is quite true, but I think the minister will admit with me that unfortunately we had more malting barley in Canada than the maltsters could handle and a great deal of malting barley went to feed hogs. I am glad the minister corrected me, but there is no doubt that a portion of it was used for that purpose.

Mr. GARDINER: I do not want it to be taken for granted that I admit all that has been said. We have a different system of grading malting barley in Canada and our malting barley goes directly to the maltsters. It is true that some barley could have been cleaned to a grade that, had it gone to the United States, it would have been accepted as malting barley.

Mr. SMITH (Calgary West): The minister also knows that maltsters and brewers in the United States owned malting barley which was in our terminal elevators but they could not get a bushel of it out. So it stayed here and was used for hog feed. I do not think the minister will deny that for a single moment.

My point is that the people who have taken the trouble to grow this high grade barley are entitled, not in a begging way but as a matter of justice, to an advantage for having grown that superior product. What is happening in the middle west United States today is that the maltsters and brewers are conducting an active campaign to have barley grown in their own country for their purposes.

Let us take a bushel of malting barley in Canada. It weighs 48 pounds and it makes thirty-six pounds of malt. The dominion government places a tax of sixteen cents a pound on the malt, so that a return of $5.76 is obtained by way of tax from every bushel of barley which is malted. I am not complaining about that, except to say that, that being so, I think the man who grows the barley from which the government takes $5.76 a bushel is entitled to the price that he can get in the republic to the south.

The danger is that if the campaign being carried on there succeeds and they grow their own barley—they have had to find new sources because of our policy—the future of barley grown for malting purposes in this country will be bleak indeed. With this one observation I shall resume my seat. I do not think I have taken any great length of time. I am

not going to argue the position of the Winnipeg grain exchange because I have done that before. I have enjoyed the fun which has been made of my maternal grandfather and my maternal grandmother. They have been wished well but they have been dead for thirty or forty years. I am grateful for the kindly wishes expressed by the C.C.F. It is the only kindness they have shown to anybody since they came here, and these people have been dead for thirty or forty years.

An hon. MEMBER: They were pretty smart.

Mr. SMITH (Calgary West): I am glad you think so. You are even more generous than your companions.

I want to close on a note of sincerity and respect toward everyone. I realize that my hon. friends to my immediate left have a position. They are socialists. They believe in getting control, even ownership of the things which we produce and the methods of distribution. That is another argument, for they have a logical position. I know of no member in this house who professes to be opposed to socialism who has a single leg to stand on if he supports orderly marketing as they call it, but what is actually the compulsory grabbing of the farmer's grain. That is not orderly marketing. That is the beginning of the police state, and I hate the word just as much as anyone else does. But you can only compel by penalties. You can only succeed in bringing compulsory schemes into being by penalties. Some may say we have lots of penalties now; we have the criminal code. Yes, and that is enforced by penalties. The only way you can do this thing is by penalties. What does that mean? It would have to be done by force. The end of socialism can only be the operation of the Canadian economy by force, and those of us who disagree with that principle—I admit again, they may argue for it—have not a leg to stand on in this oats and barley business if we vote in favour of this compulsion.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, on Friday last we were quite willing to let this bill go to a vote, but the hon. member for Portage la Prairie (Mr. Miller) spoke until eleven o'clock, and we find ourselves in the position today of having another member of the Progressive Conservative party speaking for the second time on the same subject. So, in spite of the eagerness of this corner of the house to see this bill go through, I have no apology to make for making a few remarks at this time.

I rise mainly to correct the hon. member for Calgary West (Mr. Smith) on one thing he said. He intimated that the hon. member for Melfort (Mr. Wright) had suggested that a certain organizer by the name of Shapiro had been invited by the pool or some farm organization. As a matter of record, the hon. member for Melfort merely asked a question, and his question was: Who invited him? The hon. member for Calgary West replied to that question.

There is a danger that we might lose sight of what is actually involved in the principle of this bill. The principle, as I see it, is whether or not the members of this house believe in stabilization of farm income and in orderly marketing. In spite of all that has been said to my right, when the vote is taken on this measure we shall see where the official opposition stand on this important question. If the hon. member for Calgary West is putting forward the policy of the party to which he belongs it would be logical to see every member of that party vote against this bill. On the other hand, if the policy of that party is as it has been expressed on some occasions by the leader of the opposition (Mr. Bracken), then we might expect something different.

So far as we and the people who have sent us here are concerned, we have no doubt where we stand. I have before me a clipping from one of the weekly papers published in my constituency, the Dauphin *Herald,* which gives a tabulation of where the farmers of the prairie provinces stand on the wheat contract with Britain. It is dated April 24, 1947, almost a year ago. The poll question submitted was this:

> The 1946 wheat agreement between Canada and Great Britain sacrifices the opportunity to sell at higher prices now for the assurance of stabilized prices for the next four years. Is this a sound principle?

The question did not refer to the details of the British wheat agreement but to the principle of a stabilized market for the future in preference to taking what you can get now and taking a chance on getting next to nothing in the future. The tabulation shows that seventy-nine per cent of the farmers of the prairie provinces replied, yes; they were in favour of that principle without any reservation; seventeen per cent replied, yes, with reservations, and only two per cent were opposed to that principle. I think that answers for all time the question which has arisen in this debate as to where the farmers of the prairie provinces stand on the question of orderly marketing.

Not long ago it was announced in this house and appeared in the press that an international wheat agreement had been reached, under which three of the nations undertook to sell 500 million bushels of wheat a year and thirty-three other nations undertook to buy

it at a certain price. It is interesting to note that two of the wheat-producing nations of the world were opposed to entering into this agreement. We hear a great deal these days about the Big Four, the Big Five, and so on, but on that question a sort of Big Four appeared to be emerging. We were told that Soviet Russia and the Argentine were opposed to this international wheat agreement. To complete the Big Four, we have in this country the Winnipeg grain exchange and the Progressive Conservative party.

I believe that we should make our position clear on the principle which is actually involved in this bill. There has been a great deal of talk, much of it coming from the hon. member for Rosthern (Mr. Tucker), as to the intentions of members on the opposite side of the house in connection with the inclusion of oats and barley. We have made our position clear. In fact, last year one of the members of this group moved to have oats and barley included in the bill itself. I think the hon. member for Rosthern will have some explaining to do when he speaks in Saskatchewan, because in part of his speech he endorsed government policy in regard to the marketing of grain, but in another part he repudiated the whole policy. For example, he was asked in the middle of his speech by the hon. member for Wood Mountain (Mr. Argue) this question: Do you believe in price control? The reply was, No, if you do not control some other matters at the same time. To make sure the matter was sufficiently confused, he added this: Furthermore I do not believe in the attempt to control prices by government edict.

What does that add up to? The hon. member says he does not like price control.

Mr. TUCKER: Why not get on with the bill and leave the hon. member for Rosthern alone.

Mr. ZAPLITNY: I would be glad to leave him alone if he would leave us alone.

Mr. TUCKER: I did not take forty minutes in attacking you people.

Mr. ZAPLITNY: I am not attacking you. I am simply putting on the record exactly what happened.

Mr. TUCKER: Let us fight the election out in Saskatchewan. It won't be long either, thank goodness.

Mr. FRASER: Are you getting nervous?

Mr. ZAPLITNY: The hon. member for Rosthern said he does not believe in price control unless it is accompanied by control

[Mr. Zaplitny.]

in some other matters. I take it he means he is not in favour of having prices of farm products controlled unless it is accompanied by price control on the articles and commodities the farmer has to buy. If he means that, I agree with him thoroughly. But he went on to say he does not believe in price control by government edict. The only kind of price control we have ever had in this country was by government edict. That is the only type of price control that is possible under the legislation we have at the present time. In other words, the hon. member for Rosthern tells us in one breath that he wants all prices controlled, and in the next breath he says he does not believe in the government doing that, which is, of course quite in line with what the government itself is doing.

Mr. TUCKER: I hope you understand what you are talking about. Nobody else does.

Mr. ZAPLITNY: If the hon. member cannot understand, I am charitable and do not blame him for that. If he means that he is in favour of government policy, that he favours price control of grain without price control of the commodities the farmer has to buy, which is the present government policy, he cannot be in favour of the opposite thing, which is to control the prices of the things the farmer has to buy along with controlling the price of grain. He must be on one side or the other. I want to say that, so far as the hon. member who spoke before me is concerned, he at least stated his position clearly. He said that, so far as he and the hon. members who sit around him are concerned—

Mr. MANROSS: We heard all this.

Mr. ZAPLITNY: Those who are chipping in will have a chance to vote on this. The hon. member said that, so far as he and those who sit around him are concerned, they will have nothing to do with a bill of this kind, and he challenged hon. members on the opposite side to stand up and be counted on this bill.

Mr. HOWE: We have not dissolution yet.

Mr. TUCKER: Let us have the vote, then.

Mr. ZAPLITNY: You will get it early enough.

Mr. MANROSS: Friday night.

Mr. TUCKER: We want to get these cheques out.

Mr. ZAPLITNY: We did everything we could last week to expedite the passage of this bill.

Mr. MANROSS: You sure did.

Mr. ZAPLITNY: We sat back on Friday evening and did not say a word, in order to give hon. members a chance to carry this bill. Instead of doing that, they debated the bill until Monday, and now when we are trying to express an opinion they tell us to sit down. When I began my remarks I said I would take only a few minutes. I think we shall now have a chance to see where hon. members stand on the principle of the bill, and whether they believe in orderly marketing and the stabilization in prices or whether they believe in speculation in food products.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I have listened to part of this debate with a considerable amount of attention. The other day I rose to answer the hon. member for Melfort (Mr. Wright) who had challenged hon. members to express the view of farmers who are opposed to controls. The farmers of my constituency are opposed to controls, and there are many farmers in the west who are also opposed to controls. I shall answer the hon. member right now by mentioning a letter which I have received from an organization that he perhaps knows, although it is not in his province. It is a letter from the Farmers Protective Association of Fannystelle, Manitoba, and there are many others besides that.

I would ask the hon. member who is so noisy to listen to this. We listened to them with patience. They think there is a small circle of C.C.F. people in the west who know everything about wheat, and they do not realize that the farmers and the consumers of the east are as much interested as anybody else to scrutinize the matter and to give some study to it. I will tell all hon. gentlemen of the C.C.F. group that it is wrong to think they are the only ones who can discuss this matter. We are 245 members here, and I have a right to discuss the matter just as much as these hon. gentlemen. I will tell them that they have the mind of autocrats. They remind me of the horses who have these eye-shades on each side of their head and can see only in the direction in which they are driven. It is the coachman, the driver, who makes them see what he wants them to see. They are exactly in the position of the old horses that we see in the country; they are led by the driver on the coachman's seat, and they see only what he wants them to see. When somebody says there is something alongside the way they deny it; they do not see it because their leader does not want them to see it. I will tell my lady friend that she does not sit in the driver's seat. As a lady, she sits in the back seat and her view of what goes forward is obstructed by the back of the big driver.

Mrs. STRUM: I should like to ask the hon. gentleman a question. How much influence did he have on his party on price control?

Mr. POULIOT: I will admit that my hon. friends of the C.C.F. group have much more influence than any Liberal ever had with the government to maintain controls. It is probably on account of the good looks of my hon. friend that she vamped the government and she used them to get the government to adopt socialist policy.

Mrs. STRUM: I object; that is unparliamentary language.

Mr. POULIOT: It is not unparliamentary and my hon. friend knows it. I have the greatest respect for her.

Mrs. STRUM: It has nothing to do with the question and I resent it.

Mr. POULIOT: If my hon. friend disagrees with me it is her right; but if she comes within the domain of my discussion now I cannot do otherwise than make little jokes with her, although in a very respectful way.

Mr. KNOWLES: Will the hon. gentleman permit a question? Is my memory right that the hon. member has, on previous occasions, told us in the house that it was he who, in September, 1939, sent a telegram to the government asking them to institute price control during the war?

Mr. POULIOT: No, I never asked the government to establish price controls, but I told them that the profiteers were taking advantage of the war to raise prices and I thought the government could do without the instituting of the prices board, but the thing was done that way as were many other things, and I am not responsible for the institution of the prices board, because I am against all price boards. I never asked the government to institute the prices board, but I drew the attention of the Prime Minister (Mr. Mackenzie King) to the fact that profiteers were trying to take advantage of the war to raise the prices on various commodities, and that time I was listened to. If I had been listened to all the time I would not complain today of the socialist policy of the government.

I will tell my hon. friend, the lady member, that I do not want to be unpleasant to her. She knows I have great respect for her, and if at times I tease her a little it is because she has chosen to sit amongst men, but we like her very much, nevertheless.

Now, sir, the government have been misled, misled by the C.C.F. propaganda.

Mr. MANROSS: Blind horses.

Mr. POULIOT: They have been told that it was the desire of the farmers to have such a policy as we have had and as we are going to have. It was not at all the feeling of the members that they were expressing, not at all; they were continuing their propaganda, and nothing is more clear than the speech which was made by the hon. member for Melfort and the letters that he read from the C.C.F. Premier of Saskatchewan. This policy has been forced upon the government by Mr. Douglas, the C.C.F. premier of Saskatchewan, the only C.C.F. premier in Canada, and his satellites in the house who hurrah when I say so. They have every reason to be proud of it. I remember that during the war it was the official leader of the opposition, Mr. Hanson, who was forcing his policy on the government. Now, for the after-war program we have the C.C.F. policy dictated to the government by Mr. Douglas of Saskatchewan. Why should we appease these men? There is no reason for that. There are two different ideologies. There is the ideology of free enterprise and there is the ideology of statism, of controls by the state. There is no question of Liberals, Social Crediters or Conservatives in that. There are those who are for free enterprise and those who are against it. There are those who believe that the government must act through boards and not assume any responsibility. These boards are irresponsible. It is the old principle of socialism which has been promoted by the London school of economics and all its students throughout the world. It is the old story, and I am not surprised at it. Here we have two different ideologies, the ideology of free enterprise and the ideology of socialism, whether it is called C.C.F. or anything else. But I must keep my word. I said I was going to read something that has been sent to me by no less a gentleman than the president of the Farmers Protective Association of Fannystelle, Manitoba, and he is probably not of the C.C.F. I do not know the gentleman, but I notice—

Mr. BURTON: Do you know how many members they have?

Mr. POULIOT: I challenge my hon. friend to continue to laugh at the farmer of Manitoba, because he has been elected on the C.C.F. socialist ticket in his part of the country. These hon. gentlemen are so doctrinaire that they do not admit any discussion, and when we bring a letter from a responsible farmer from the west, on behalf of his organization, they minimize it. They laugh at it. That is not the way to discuss any question. The hon. gentleman is old enough to know—

Mr. BURTON: I am only asking the hon. member to give me information as to how much he knows of that organization and how many members it has.

Mr. POULIOT: I will tell the hon. gentleman one thing, and the more angry he gets, the cooler I shall be. I am not excited and he cannot provoke me. I will tell him one thing.

Mr. BURTON: Tell me how many members there are in that organization.

Mr. POULIOT: I will advise the hon. gentleman to keep cool, not to be excited. For my part, the crowd does not impress me. I am impressed by the argument and the logic of a thing. My hon. friend may be impressed by a long procession, but I am not at all impressed. I am impressed by arguments that appeal to reason.

I have received a letter which I consider worthy to be read in the House of Commons and I will certainly read it. I am in order in reading it, and I will read it even if it hurts the feelings of the hon. gentleman.

Mr. BURTON: It does not hurt me at all.

Mr. POULIOT: He is touchy, but there is nothing unparliamentary in the letter I am going to read. It was written by a sound-thinking farmer of Manitoba.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: There they are again. This farmer does not believe as the hon. gentleman does, and therefore "Ha, ha, ha."

Mr. BURTON: Because we are asking you what you know about it.

Mr. POULIOT: It is a good letter and I will read it with all the greater pleasure because it hurts the feelings of the hon. gentleman who is so touchy.

Mr. BURTON: Oh, so cruel!

Mr. POULIOT: The letter reads:

Fannystelle, Manitoba,
March 6, 1948.

Mr. Jean Francois Pouliot,
House of Commons,
Ottawa, Canada.

Dear Sir:

After reading your contribution to the *Hansard* of February 27, I feel that it is my duty to write to you thanking you for your interest in western agriculture.

Although we have a Canadian Federation of Agriculture and a Canadian wheat board, I cannot see that either of them are in any way interested in our welfare, nor are they in any way obligated to represent our cause, as western agriculture could not claim to have chosen them.

The three prairie provinces have for some years back supplied all of Canada with wheat for domestic milling, at about half price. About seventy million bushels each year.

The monetary loss is a big one, but it is totally eclipsed by the fact that we have had taken from us the right to sell our grain, and we are compelled to hand it over to the government who are permitted to sell it where they wish, for a small price if it suits them, and not always without an eye to political expediency.

They take five years to pay us, and owe us nothing in the meantime.

If it were voluntary, we could call it a gift, but we would have no receipt for the income tax inspector.

We could not describe the Canadian people as being penniless and dependent upon charity.

We can only plead guilty to being a minority group.

These planners of our agricultural destiny like it very much, and now they want our oats and barley.

As they want complementary legislation from the prairie provinces, we should be able to block that, though there are powerful forces at work, whose aim it is to make the state all powerful, and reduce the status of the individual in like proportion.

I hope that you will continue to work toward the goal of getting back, not only our agricultural freedom, but the freedom of everyone who is yet a victim of government controls.

Yours truly,

R. H. Stevens, President,
Farmers Protective Association.

That is not such a bad letter. I challenge my hon. friend to be so jocular now that he has heard that letter.

Mr. BURTON: And I still challenge the hon. gentleman to speak about something he knows something about.

Mr. POULIOT: In the first place, I know the hon. gentleman and will speak about him in a minute and he will be very much embarrassed.

Mr. BURTON: Just go ahead.

Mr. POULIOT: They do not like free enterprise. I do not know how many cousins they have who are interested in the controls in the province of Saskatchewan, how many friends, how many supporters. They put them on the job there to act as tyrants over all the farmers of the west, and it is good for them; they have to take it because it is socialist policy; it must be good for them.

Mr. BURTON: Again you are speaking about something you do not know anything about.

Mr. POULIOT: I have shown my hon. friend that I do know, and if my hon. friend takes that attitude he will be defeated at the next election. The farmers of his constituency will never stand for it. They will never stand for that autocracy.

Mr. KNOWLES: This is where I came in.

Mr. POULIOT: How can any group of decent farmers stand for that autocracy, despotism, dictatorship by one man in one constituency?

An hon. MEMBER: Keep cool.

Mr. POULIOT: I am just as cool as one could be, and I am all the cooler because I see my hon. friend is still excited at the mention of one farmer of the west who does not agree with him. Why does he not travel any more—

Mr. BURTON: I do not mind that at all, but tell us what you know about that organization.

Mr. POULIOT: I will tell him now what our friends the farmers of the east have suffered, as well as the farmers of the west. My hon. friend knows very well that during the war when there were controls it was impossible for the farmers to have barley and oats without purchasing flour at the same time. They had to purchase an equal amount of flour, and there were orders for balanced rations.

An hon. MEMBER: That was private enterprise.

Mr. POULIOT: Just a minute. I know it hurts, but I am not impressed by my hon. friends, and I hope the government will not be impressed by them. I have never been impressed by noise but by sound argument, though it may take a little longer to impress them in that way. I want to make them suffer a little more, but I am coming to the point just the same. I am speaking on behalf of people that I know.

Mr. SPEAKER: Order.

Mr. POULIOT: I thank you, sir, but I can handle my hon. friends fairly well. My hon. friend knows very well that the farmers could not have their orders filled by the grain dealers. When they ordered oats and barley they were given half flour. He knows very well that flour is much more subject to moisture than is grain. If he comes down home with me he will see the warehouses of

the storekeepers full of bags of flour which they had to buy when they did not need them.

Mr. BURTON: Was that a government control?

Mr. POULIOT: Exactly.

Mr. BURTON: Did the government force them to do that?

Mr. POULIOT: Yes. It was on account of the subsidies paid for flour. My hon. friend knows that very well.

Mr. BURTON: But it was your private enterprise that forced them to do that.

Mr. POULIOT: My hon. friend knows very well what a failure the controller of feed has been. If he does not know that, I shall have to teach him. It is a thing that I know but which he does not seem to know. If there is anything that I know and he does not know, I shall take advantage of the opportunity to teach him a lesson.

Mr. Douglas is so anxious, as the socialist premier of Saskatchewan, to have this measure enacted to put oats and barley under the control of the wheat board that he is ready to send a representative to Ottawa. He communicated twice; I do not remember whether it was by letter or telegram, but that is of no consequence.

Mr. ZAPLITNY: Carrier pigeon.

Mr. POULIOT: He telegraphed or wrote twice to the minister telling him that he was ready to send one of his legal advisers by air to discuss the matter with the government at Ottawa and tell them what they would have to do with regard to oats and barley. This is planned economy. They start with oats and barley and will continue with rye and flaxseed; and then there will be no end. Why not do it as Stalin does right away? I have said many a time that socialism is the forerunner of communism.

Mr. BURTON: No, Liberalism is.

Mr. POULIOT: No.

Mr. BURTON: Surely.

Mr. POULIOT: This is heresy. May I say to the hon. gentleman that, when he says that, he does not know what he is talking about. But now that they have a planned economy, they want to subject all the farmers of Canada to the rule of socialism, the rule of the C.C.F. I remember the time when Mr. Woodsworth and Miss Macphail suggested that the farmers should work eight hours a day. They did not go on with that for very long. I remember the kind of agrarian reform they were preaching, and it was pure socialism. It meant the dispossession of the farmers who owned the lands in order to put them under a scheme that was quite similar to the one which has now been enforced in Russia. Then they changed and made great compromises with the farmers.

We are now discussing this grain business. I get into the closed reserve of the socialists of the west to tell them that they are wrong when they say they speak on behalf of the majority of the farmers of Canada, both from the west and from the east, when they try to impose socialist legislation on the government. I still hope that the minister will leave feed grain aside when he deals with the wheat business. One of my hon. friends the other day said to me, "You find prices high. You want controls on grain." I never wanted controls on grain. We cannot control the price of grain or the price of any other commodity by putting on an embargo when we need that commodity in this country, or by lifting that embargo when prices are too low. I do not object to the farmers selling their wheat at a reasonable price. I have said that before and I repeat it now. But when the coarse grain is harvested in a much smaller quantity than is normal, the department should see to it that the farmers of the east have an opportunity to buy that grain from the producers of the west. Otherwise what I shall do will be to tell the farmers of the east to become independent of the farmers of the west; not to buy their grain from them, but to harvest enough grain to be independent. We are ready to make concessions.

An hon. MEMBER: Do you think they can become independent?

Mr. POULIOT: Surely they can do it. They can do it with regard to oats and barley. My hon. friend knows that very well. We can be independent of the farmers of the west. I do not know how long I shall have the pleasure of seeing the good-looking faces of my hon. friends in front of me in the house, but I will tell them that the farmers of the east are sick of that propaganda. They have had enough of it. The farmers of the east are ready to make concessions. They are ready to pay a fair price, provided that the goods are delivered to them, but they do not want to be the slaves of C.C.F. policy any more than do the farmers of the west.

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

Mr. POULIOT: Yes.

Mr. ZAPLITNY: Is the hon. member in favour of the eastern farmers receiving freight-free feed coming into the east, with the freight paid from the lakehead? Is the hon. member in favour of having freight paid on feed from the lakehead to the east for the eastern farmers?

Mr. POULIOT: Certainly.

Mr. ZAPLITNY: It sounds good, does it not?

Mr. POULIOT: I have no objection to reasonable assistance. But if that subsidy is enforced, and the government is willing to pay that subsidy, then we want to have the goods in the east, and we want to have a different situation from the one we had last fall when all the farmers were complaining that they could not get delivery of the grain.

Mr. BURTON: It was your private enterprise that stopped delivery.

Mr. POULIOT: It was not private enterprise. It was when we had a feed controller who is still there writing his memoirs. My hon. friends are so doctrinaire that they will not agree with me that it is a waste of money to keep that man in his job, especially after the situation for which he was responsible last fall.

I do not consider it a pleasure to rise tonight and to have to argue with hon. members from another province about this matter, which is a vital issue for us at the present time, but which may not be any longer a vital issue for us in the near future, when the farmers of the east are told of the difficulties that we have precisely on account of those controls.

Advice from a friend is much better than a suggestion from a foe. The wounds of those who love are better than the kisses of those who hate. This I dedicate to the Minister of Agriculture (Mr. Gardiner) and to the Minister of Reconstruction and Supply (Mr. Howe). And I will ask them both, after the performance that took place tonight, is it possible to say for one moment that the suggested policy of the government has been imposed upon them by the C.C.F. socialist group of Saskatchewan? There is no reply to that.

Mr. BURTON: Your colleague from Rosthern would be interested to hear that.

Mr. POULIOT: Perhaps he was too mild with his opponents.

Mr. LOW: Too frightened of them.

Mr. POULIOT: He is too much of a good-natured fellow. That is why he has been lenient with these policies.

Mr. TUCKER: Perhaps the hon. member will say who caused the Liberal government of 1922 to pass the wheat board legislation. The C.C.F. did not exist then.

Mr. POULIOT: No, the C.C.F. did not exist; but Mr. Woodsworth was a member of the House of Commons at that time. My hon. friend will recall that Mr. Woodsworth was elected in 1921, and he was very powerful in connection with this matter, as well as many others whom I shall not now take time to enumerate.

What I want is a Liberal policy of free enterprise.

Mrs. STRUM: This is a Liberal bill.

Mr. POULIOT: It is a government bill. But I do not say it is a Liberal policy. I am not deceived by false labels, and this is why: knowing the sincerity of both the Minister of Agriculture and the Minister of Reconstruction and Supply, I urge upon them the necessity to stop the gap of socialism in this measure. We should do that for the good of the farmers of this country, and even for the good of the members from the west who are farmers themselves. They have been led to believe that socialist policies are opportune, that they are timely and that the government should make them their own. There is the correspondence which my hon. friend read the other day. There are all the speeches which have been made.

Tonight I listened with great interest to the excellent speech of the hon. member for Calgary West (Mr. Smith) who, although he is a lawyer, knows more about farming the west than does any member of the C.C.F. group. He has lived with the farmers and has listened to them.

Mrs. STRUM: Whom do you think we live with? We are farmers.

Mr. POULIOT: I was going to tell my hon. friend that if I were one of her constituents I would say many things to her, with the exception of talking about wheat. I would tell her that she is gifted and that she is doing well as a member of parliament. The only thing I regret in her is her obstinacy at times to admit that she may be wrong. I should like to be a poet to write a few rhymes for the hon. member. However, since I am not so well gifted I must say what I have to say in my poor language. But I mean well. And I hope that before long she will understand that my appeal to her reason has not been made in vain, and that perhaps she will be one who will canvass other members of the C.C.F. groups to drop their insistence upon passing this kind of legislation.

Mr. KNOWLES: I wonder if the hon. member would permit another question before he finishes? I confess it is in relation to the same question I asked twenty minutes ago.

Mr. POULIOT: This is coarse grain.

Mr. KNOWLES: I think the hon. member means that this goes against the grain. Does the hon. member recall what happened on August 29, 1946, as it is reported in *Hansard* at page 5598, when he read to the house his telegram to the Prime Minister (Mr. Mackenzie King) of August 28, 1939, and the Prime Minister's reply, and boasted that he was "responsible to a certain extent for the creation of the wartime prices and trade board"?

Mr. POULIOT: Well, since the hon. member speaks to me that way, I will tell him what happened. I was not going to say that, because he would think I was boasting. I will tell him that after that answer was sent to me by the Prime Minister I was called with the present Minister of National Health and Welfare (Mr. Martin) to the office of the late Hon. Norman Rogers to form a committee of internal security to decide with him about food and commodity prices. There was no question about wartime prices board here. Is that enough for the hon. member? I would not have said this, if my hon. friend had not given a false interpretation. Besides that, we were each offered $6,000 a year outside our indemnities. And I can tell the hon. member much more than that. I never have been for the wartime prices board, and it was only indirectly that I was responsible for its establishment some time afterwards.

Mr. KNOWLES: That was not the interpretation the hon. member gave when he read the telegram on August 29, 1946.

On motion of Mr. Pouliot the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. BRACKEN: What is the business for tomorrow?

Mr. HOWE: First is the emergency legislation of the Minister of Justice; second, wheat; third, the emergency legislation of the Minister of Finance.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, March 17, 1948

The house met at three o'clock.

WESTERN EUROPEAN UNION

SIGNING AT BRUSSELS OF TREATY OF MUTUAL GUARANTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, members of parliament will have already learned with satisfaction that a treaty of mutual guarantee was signed this morning at Brussels by representatives of the governments of the United Kingdom, France, Belgium, the Netherlands and Luxembourg. This pact represents a partial fulfilment of the idea of a western European union put forward by the United Kingdom foreign secretary on January 22 last. This pact is far more than an alliance of the old kind. It is a partial realization of the idea of collective security by an arrangement made under the charter of the united nations. As such it is a step towards peace, which may well be followed by other similar steps until there is built up an association of all free states which are willing to accept responsibilities of mutual assistance to prevent aggression and preserve peace.

May I read, in this connection, two articles of the western union agreement:

> Article III. The high contracting parties will make every effort in common to lead their people towards a better understanding of the principles which form the basis of their common civilization and to promote cultural exchanges by conventions between themselves or otherwise.
>
> Article IV. If any high contracting party should be the object of an armed attack in Europe, the other high contracting parties will, in accordance with the provisions of article LI of the charter, afford the party so attacked all the military and other aid and assistance in their power.

Hon. members will, I am sure, also welcome the significant statement made to the congress of the United States at noon today by President Truman in which, referring to the Brussels agreement which had just been signed, he spoke of the determination of the United States to help those five western European nations to protect themselves.

The Canadian government has been closely following recent developments in the international sphere. The peoples of all free countries may be assured that Canada will play her full part in every movement to give substance to the conception of an effective system of collective security by the development of regional pacts under the charter of the united nations.

COMMUNIST AGENTS

ACTIVITIES IN CANADA—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the Prime Minister has just referred to the pact between five European nations guaranteeing mutual aid over a long period of time. I am sure that all members of the house will feel like congratulating those nations upon having reached such an agreement. I am aware, Mr. Speaker, that a statement of this kind by the Prime Minister is not debatable. I think that is unfortunate, because only the other day in this house some members asked for an opportunity to discuss matters relating to external affairs but the government did not find it expedient to allow that discussion. And a day or two ago I asked the Minister of Finance (Mr. Abbott) if he would, before Easter, be moving the house into committee of supply, which would give us an opportunity to discuss external affairs, but no such opportunity has yet been afforded. Therefore, Mr. Speaker, I ask leave, seconded by the hon. member for Calgary West (Mr. Smith) to move the adjournment of the house under standing order 31 to discuss a definite matter of urgent public importance, namely, the menace to the peace of Canada arising from the activities in this country of communist agents—a matter calling for immediate attention at this time because:

(a) Canada is regarded by the communists as of supreme strategic importance in the communist bid for global domination;

(b) Communist agents, some of them under diplomatic immunity, some of them Canadian citizens, have succeeded in corrupting officials of the public service of this country;

(c) Canada is regarded by the communists as a vital source of information respecting the development of the atomic bomb;

(d) Communist agents are boring into the labour organizations of this country with a view to wrecking recognized labour organizations and undermining industrial peace and crippling the productive capacity of the country both in peace and in the event of war;

(e) Recent events in Europe, especially in Czechoslovakia and Finland, can leave no reasonable doubt that the aim of communism is to destroy democracy, wherever it exists, and substitute for it puppet police states.

Mr. SPEAKER: If the hon. gentleman will look at standing order 31 he will see that it reads in part as follows:

> 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.

I would suggest that the hon. member wait until we reach that stage.

Mr. BRACKEN: I was advised, Mr. Speaker, that this was the proper time to make the motion, but I am in your hands.

Mr. SPEAKER: After the ordinary daily routine.

[*Later*:]

Mr. SPEAKER: We have before us a motion moved by the leader of the opposition (Mr. Bracken). Standing order 31(3) reads that the mover—

> —then hands a written statement of the matter proposed to be discussed to Mr. 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, Mr. Speaker requests those members who support the motion to rise in their places and, if more than twenty members rise accordingly, Mr. Speaker calls upon the member who has asked for leave.

Mr. Bracken moves, seconded by Mr. Smith (Calgary West), for leave to move the adjournment of the house under standing order 31 to discuss a definite matter of urgent public importance. Is it the pleasure of the house that the hon. gentleman have leave to proceed?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: The hon. gentleman will proceed.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, I have raised this issue today to emphasize the seriousness of the communist menace to Canada as well as to the world and to give the government the opportunity to tell us what it is doing and what it proposes to do in every department of government having any relationship to this question. I think hon. members on all sides of the house want to do everything that can legitimately be done to stamp out this menace.

Today is March 17, 1948. In addition to being March 17 it is the day on which the President of the United States made a very important statement to congress; it is the day on which in Brussels Mr. Bevin made a very important statement respecting the European five power pact, the matter the Prime Minister mentioned here today; and it is only two days following a similar important statement relating to communism by the Prime Minister of Great Britain.

I want to summarize briefly a part of what Mr. Truman said to congress this morning. We heard it over the air just a few hours ago. I will mention only three things he said bearing on this subject. First, he said it was important speedily to complete the European recovery program as the most telling contribution to peace which congress could make in a time of critical importance; second, he urged the prompt enactment of universal training, because, to use his words, "we have paid a terrible price in the past for unpreparedness"; and third, he urged the immediate enactment of universal training for all men and selective service for the regular forces. And he added these words: "We must be prepared to pay the price of peace or we will pay the price of war". Then he went on to give a long indictment of communism and of the relationship of one great country—Russia —to that doctrine.

At the same time, in another country another statesman dealt with a matter relating to the same question. Mr. Bevin spoke over the air from the Belgium foreign ministry in Brussels, and briefly among other things, this is a part of what he had to say. He said they had agreed upon the creation of a permanent consultative council among five nations for a period of fifty years. Secondly, they had agreed to guarantee mutual assistance to each other against aggression by either a resurgent Germany or any other power. I presume the question of a resurgent Germany was agreed to because France particularly would want an agreement on that. I presume the reference to any other power had to do with Russia, that great power which is moving westward over Europe all too fast for our comfort. Thirdly, he said they had agreed to the mutual exchange of information and assistance in economic and cultural matters.

This very day that we are gathered here President Truman spoke to the American people as I have indicated, and Mr. Bevin spoke to the world indicating how five nations in western Europe had agreed to stand together for half a century to face the future. Only two days ago, on the 15th of this month, the Prime Minister of Great Britain, as reported in the New York *Times* announced to the House of Commons the cabinet's decision to transfer communists, fellow travellers and fascists in any government work vital to the national security. I do not know what he means by "transferring them", but at least it is an effort on the part of the British government to do something to face up to the communist menace.

I have mentioned the president of the great nation to the south of us; I have mentioned Bevin and the council of five western European nations; I have mentioned what Premier Attlee of Britain had to say.

What is being said in our own country with respect to this matter? I am sure I do not need to say to hon. members what has been said for some time now. One paper at least has taken the lead in dealing with it. I am referring to the Windsor *Star*. It has carried dispatches for some time now showing the extent to which this revolutionary cult of international communism is growing in Canada. These dispatches are now being copied, carried and favourably commented upon by many other metropolitan papers in Canada. I will take only a minute to indicate the content of some of them.

This is what the Windsor *Star* of March 8 carried: "Communist threat grows. Canadian fifth column waits." In a later issue we find the following: "Time to strike. Revolutionary cult of international communism in Canada has gained widespread and dangerous power." I shall make no more than a very brief comment on the content of these statements.

On March 10 the following appeared: "Loyal Canadians duped to aid Red fifth column." In comment a little farther down the article the following appears:

> Public apathy is the most valuable asset the communist conspirators have. More desirable for their treacherous purposes than soap-box orators or drawing-room radicals are the plain people who shrug their shoulders by the hundreds of thousands and say to one another, half believing and half wishful: "It can't happen here."

I shall mention only one or two other comments. In the issue of March 11 the following appears: "Red hierarchy traced from Moscow to here." Then this comment follows:

> It is a diabolically ingenious machine of which each separate tiny part is a complete whole, able to function by itself.

In the issue of March 12 the following appears: "Labour battles threat of Red rule or ruin." I shall not take the time to elaborate on any of these. Another one is as follows: "Loopholes in law admit Europe's Red saboteurs."

The defence against the communist threat is, as I said, being taken up by other metropolitan papers across Canada. Among others, the Winnipeg *Free Press*, and I am told the Calgary *Herald* and nearly all the leading metropolitan papers, are taking up this question and pointing out its seriousness.

In my motion I referred to four or five reasons why we should give this matter some consideration in this house. Let me refer to these specifically for a moment.

I have said that Canada is regarded by communists as of great strategic importance in the communist bid for global domination. Today Canada and the United States are giving a great deal of attention to our arctic defences of this continent. What does that mean? It must mean, if it means anything, that we regard that territory as a possible future cockpit of a major world conflagration. I mention that only to emphasize the importance of this question.

Secondly, I said that communist agents, some of them under diplomatic immunity, some of them Canadian citizens, have succeeded in corrupting officials of the public service of this country. We all know the sordid tale of what took place in this country within the last two or three years, and I do not need to repeat it here. But have we any reason to believe that these efforts have been discontinued? The answer is that we obviously have not. The evidence of infiltration generally is clearer today that it has ever been before.

I pointed out, again, that Canada is regarded by the communists as a vital source of information respecting the development of the atomic bomb. One needs only to mention two names out of many, one of them a British scientist working in this country, another a Canadian scientist working here, both having to do with the atomic bomb. Today they are both in the penitentiary.

I said they were working on the atomic bomb and they were both convicted of unlawfully giving information to a foreign nation with respect to that secret bomb. I have no

doubt that steps have been taken to try to see that communists and their fellow travellers are not closely associated with the atomic energy enterprise in Canada, but none of us doubt that communists are making every effort to find out what they can and to transmit it to another country that would like to have it.

I said further that communist agents are boring into the labour organizations of this country with a view to wrecking recognized labour unions and undermining industrial peace, crippling the productive capacity of the country not only in peacetime but particularly in the event of war. Perhaps that is the most dangerous thing that is facing the internal peace of Canada, a danger that is facing the whole future of this country, the infiltration of communists into the organized labour groups of the country.

At this time I wish to compliment organized labour on their efforts to date to purge themselves of communist agents. And I wish to say to the government, to this house and to the Canadian people that organized labour needs every assistance it can get from the parliament of Canada in its efforts to save itself and to save us from this kind of infiltration.

Then I referred to what has happened recently in Czechoslovakia and what is happening at this very moment in Finland, two nations in the way of the western movement of communism in Europe. Czechoslovakia has been scuttled from within. The methods of Hitler are seen to be here again right before our eyes. Finland is in a situation somewhat similar to that in which Czechoslovakia found itself a few weeks ago. While the technique in the instance of Finland is a little different, the objective is the same. And it looks as if the end will be the same. Finland is now engaged in so-called negotiations with the fear of military occupation at her elbow, the fear of military occupation by a large power predetermining every move of that little nation.

I now wish to say something about communism itself. Communism is the most widely discussed topic in the world today. For the vast majority it has a vague shapelessness which inspires some with panic and permits others to hold it in blind adoration. If we are successfully to control it we must understand its true nature and purposes.

Communism, in my judgment, is just a blood brother of nazism and fascism. Under all three the individual has no rights against the state and no purpose on earth but to serve the state. Communism is essentially nihilistic; it is a creed of destruction. It was conceived

in hatred, it is being nurtured in violence. It has been brought to maturity in Russia where it is being used as a weapon of world conquest.

I have not referred to any nation critically in this connection. I have referred to communism wherever it is found. I wish, however, to quote the views of two men who have had exceptional opportunity to understand it. They mention a foreign nation by name and I pass it on as their view. One of them, whose position is made clear, is the American ambassador to Poland from 1944 to 1947, A. B. Lane. He saw communism at work and his opinion was stated as follows:

> There will be no turning back on the part of Stalin. On the contrary, he will proceed on his policy, which was also that of Hitler, of seizing control, state by state, until he obtains world domination or until he meets the effective resistance of a stronger power.

The other view, by one of the great workers for world peace, Sir Norman Angell, winner of the Nobel peace prize, warns us about the alternatives in these words:

> If we in the west adopt a policy of indefinite retreat before Russian power, we must face now just what that involves . . . When it is on top of us, it will have attained a momentum too great to stop. A policy which, adopted early could have prevented war, fails of prevention when adopted late.

Let me now make one comment on the matter I referred to a moment ago, namely the fifth column aspect. We must not forget that the communists, together with their brothers the nazis, have developed a new weapon, the fifth column. That is the most hateful of weapons; it is one which drives the people of a nation against themselves, splits countries in two, sets brother against brother, and produces something of the condition we have seen in parts of Europe.

I wish to make two or three other observations in closing. What is it our responsibility now to do? Without going into details I suggest, first that this nation, in association with other nations must be strong—strong economically and collectively—so strong collectively that no other nation will dare to attack us. That is the immediate responsibility of those who would guard against this danger. That is the primary purpose of the main principles of the united nations.

Second—and this applies particularly at home—we must serve better here than communism can serve anywhere. What is the defence against the attack of communism at home, the infiltration of our labour organizations and every other device that is being used? The best defence at home is for us in this parliament and those in provincial

legislatures and in municipal councils to see that our communities are served better than communism can serve their people. Faith in our capacity to do that may have been wavering in recent years. I suggest that it is time we had a new and revitalized faith in that respect. I have confidence, and I am sure everybody in this house has it too, that we can serve society better than communism can. Let us stand up and demonstrate that fact so that communism cannot grow in Canada and so that it cannot expand in Europe.

Third, today we must help other nations to re-establish themselves after the tremendous sacrifices they have made in war. Particularly is this the case with respect to our customers in western Europe. We have every moral, economic and political reason for giving to the extent of our capacity to help our customers and others over there to re-establish themselves. Otherwise they cannot resist the pressure that is now upon them.

I have mentioned that we must be strong, that we must serve better and that we must help our customers to re-establish themselves. Fourth, we must help other nations to help themselves. The great nation beside us has been left with the responsibility of accepting the economic leadership of the world; I refer to the United States of America. It is our responsibility to associate ourselves with that great nation on this continent and accept our share of the moral and economic leadership of the world. That responsibility has fallen to this continent through no particular credit to ourselves, but perhaps partly as a result of accident or as a result of geography, as well as the result of war. But here in Canada we are beside the strongest economic unit in the world—I am referring to the United States. We are a sister nation, smaller, but similar in many ways, believing in many of the same things and having many of the same advantages. We too must carry our share of the responsibility, as I said by sharing in giving moral and economic leadership to the world beside this great nation I have referred to—the United States. This nation cannot feed the rest of the world and cannot bring prosperity to every section of the world by giving to them. But the United States of America, this country and others who think in the same way can give leadership to other nations to help themselves in the future.

I have only one other thing to say, Mr. Speaker. As I said in my opening remarks, I raised this question to re-emphasize the seriousness of the menace we are facing in this country and throughout the world, and to ask the government, either now or on an early occasion, to state what it is doing in every department that has any relation to this question, and what it proposes to do. I think that the government and this parliament owe that to the Canadian people. I think the government owes it to the Canadian people to say what it is doing and what it proposes to do to stamp out this threat to Christian democracy. That is what it is. The struggle today is between two ideologies—communism on the one hand and Christian or other democracies on the other. Communism is the major threat in the world today.

In this connection I have a suggestion to make to the government. We all know that the government want to get through some of the measures that are now before us. On behalf of this party I should like to assure the government that, with regard to all these matters which are pressing today, we will help them to see they get through before next Wednesday or Thursday. That does not mean to say that we shall not talk about them as we go along, because that is our job. That is what we must do and that is what we have no choice but to do. Some of these measures we recognize must be put through. That is not so perhaps with all of them. But with respect to those considered to be essential to pass before the Easter holidays, we shall help the government to see that they are passed. But I seriously suggest that the government ought to provide one day or at least part of a day for the discussion of foreign affairs, and particularly of this question.

Let me say this, Mr. Speaker. I have raised this question today in no sense of narrow partisanship. This question and these times are too serious for that. I wish to say just one sentence in closing. It is with respect to the position of this party regarding communism. I can do it most briefly in these words. This party is in favour of, and will give its wholehearted support to, the government's taking every step possible within its legislative competence, to halt the march of communism in this country.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should like to be the first, Mr. Speaker, to thank my hon. friend the leader of the opposition (Mr. Bracken) for the promise he has just made that he and his party will do all in their power to assist the government in helping to defeat the menace of communism. There is no menace in the world that is greater. I think I have stated that repeatedly before. There is no comparable menace in the world. We all must face it in common, with all the strength, resource and

power it is possible for us to muster. I am quite sure that when other hon. gentlemen speak for the other parties opposite they will be equally prepared to give the government the assurance that has just come from the leader of the opposition.

As the house will have noted, I have taken no exception whatever to my hon. friend having brought up this question as he has. But I do take exception to his having said, or implied, that he was bringing it up at this moment because the government had denied to hon. gentlemen opposite the right to discuss external affairs before this time of the session. For my part I think my hon. friend brought the question up at this moment because of the exceptional interest aroused as a result of the statement which was made this morning by the president of the United States.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: It is perhaps fortunate, because of the President's statement, that he has brought it up at this time. Naturally the question will be receiving more attention in various parts of the world today as a result of that address. But may I point out, as I have more than once before, that in arranging the business and the order of business of this session I did confer with hon. gentlemen opposite. I recently made a statement in this house as to what we as hon. members were agreed as the best procedure to adopt in order to get through the business as rapidly as possible. I need not go over what we were agreed upon in regard to giving the emergency measures and the debate on the address first consideration. When I was seeking to carry out that arrangement in planning the business of the house from day to day, I was not imposing my will on this house. I was seeking to carry out what had been agreed to by the house itself and by members of all parties. If external affairs has not been reached before this time it is because we have not yet completed the program upon which we had agreed. Hon. members know, or at least the leaders of the parties opposite know, that only a day or two ago I discussed with the leaders quite frankly the matter of the remainder of the business to be dealt with before the Easter recess, and I informed the house of the result of the conference we had and the agreement we had reached. At the time of that conference, there was no suggestion that external affairs should be given precedence between now and the Easter recess. I think it was felt by all that external affairs questions would come up very soon after the Easter recess and that we would have, not a sudden debate on a great question, sprung without any notice whatever, but an opportunity for a full discussion in this house, perhaps running for days.

Now I say to my hon. friend that the government has been given no notice of his intention to bring up this question at this time. He asks what has been done in this direction and in that. Had I had any previous knowledge that such was desired I could, for example, have brought him today data answering some of the questions he asked, particularly in relation to what steps have been taken over the past year or two to make certain that the public service was not being infiltrated by those holding communist views. I could have made a statement at some length on that matter, but at this moment I am not going to attempt to go into details of that kind.

May I just remind this house, and Canada itself, that, after all, ours was the first government in the world to expose the activities of communists in the public service, and I may add I was the first to stand up in this parliament and indicate how appallingly dangerous the possibilities were. I did not confine what I had to say to parliament here. I made it a point to visit the United States personally and to confer on this danger with the highest authorities in that country; I made it a point to visit Britain and confer with the highest authorities in the United Kingdom. In both countries I disclosed what we had discovered in Canada with respect to communist infiltration into the public service, and the dangers to which it was likely to lead and to methods that were being employed. And at this moment I do not forget that my colleague, the then Minister of Justice, the present Secretary of State for External Affairs (Mr. St. Laurent), was taken pretty severely to task because it was alleged that, in authorizing the steps necessary, he was interfering with individual liberty. He took the only possible immediate steps it was effective to take at that time. I do not forget, either, that we on this side have since heard more about our alleged interference with individual rights and human liberties than about almost anything else, because of the action we took to suppress communism.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: Well, I listened respectfully to the leader of the opposition. I hope hon. gentlemen opposite will listen equally respectfully to me.

Mr. HOMUTH: Stick to the facts.

Mr. CASSELMAN: He was non-political.

Mr. MACKENZIE KING: I am not going to trouble doing so at the present time, but I have no doubt there will be those who will be interested enough to look up *Hansard*. I would suggest that anyone who is interested in seeing which political party in this country has taken the most active means and measures to suppress communism, should look through the *Hansard* of this parliament and see what has been said in the debates here with respect to interference with the liberty of the individual.

Mr. ROWE: Look through the ballot boxes.

Mr. MACKENZIE KING: I would rather hope that, on a subject such as this, we might all find ourselves in such complete agreement that no difference of view would be expressed. In order to indicate how completely I am in accord with the statements of the leader of the opposition upon communism as a menace—I do not say I take the literal words, but their general trend—I intend to read the paragraphs he has read and indicate the extent to which I agree with them. The first was:

> Canada is regarded by the communists as of supreme strategic importance in the communist bid for global domination.

I do not know what country the communists regard as most important. I am inclined to think that, at the moment, their minds are more upon the countries of Europe and some of the countries of Asia than upon any countries in the western hemisphere. Nevertheless I do believe that anyone who had regard to future world development would look upon Canada as one of the most enviable portions on the whole globe. The next statement was:

> Communist agents, some of them under diplomatic immunity, some of them Canadian citizens, have succeeded in corrupting officials of the public service of this country.

My hon. friend has referred to the trials that have taken place in the last two years. May I ask, was it at the instance of hon. gentlemen opposite or was it at the instance of this government that those people were brought to trial? I am pointing out that it was this government that fearlessly took the necessary steps to bring to trial those in the public service who had lent themselves to corrupt influence.

Mr. HOMUTH: Who hired them?

Mr. MACKENZIE KING: It seems perfectly clear to me that some hon. gentlemen opposite are thinking more of the political effect of their remarks than they are of the seriousness of the subject being discussed at the present time. May I say that any individual or any party which thinks it is going to make political capital in dealing lightly with this question of communism is making a very grave mistake indeed. The people of Canada realize how serious this question is, and they expect all parties and all persons in Canada to unite and do their utmost to defeat the ends of the communists. The next statement is:

> Canada is regarded by the communists as a vital source of information respecting the development of the atomic bomb.

Where did my hon. friend get that information? It came as a result of an inquiry made at the instance of this government, and made in the only manner which could have been effective in dealing with a question of this kind. Yet I recall vividly how bitterly this government was attacked because some of our mounted police undertook to keep within certain restrictions those who were about to be examined in connection with betraying secrets with respect to the atomic bomb and other information.

Mr. HOMUTH: Let us have some more politics.

Mr. MACKENZIE KING: My hon. friend the leader of the opposition has spoken about a scientist who was imprisoned in Britain as a result of having revealed atomic secrets. It was this government that acquainted the government of Britain with the activities of that gentleman. It was the government of this country that had him followed across the Atlantic, so that there would be no possibility of his escaping the consequences of his actions.

An hon. MEMBER: Why not?

Mr. MACKENZIE KING: My hon. friend says, "Why not?" Of course we should have done it. What I am taking exception to is my hon. friend interrupting me as if I were saying something which everyone should not be pleased to recognize as the truth. I come to the next statement by the leader of the opposition:

> Communist agents are boring into the labour organizations of this country with a view to wrecking recognized labour organizations and undermining industrial peace and crippling the productive capacity of the country both in peace and in the event of war.

We as a government have within the last few days received delegations of labour organizations, the Dominion Trades and Labour Congress, the Canadian Congress of Labour, and the railroad brotherhoods. In the representations which were made by those organizations to our government there was nothing but

words of appreciation with respect to what the government had done and was doing to co-operate with those organizations in helping to prevent communism from developing within their ranks. I should add that exactly the same position was taken by a delegation representative of the Catholic syndicates.

I do not believe that the extent to which the communists have bored into labour organizations is as great as some people in this country think. There may be here and there individual organizations, in fact I believe there are, of which a considerable number of communists may be members, but it is not always the easiest thing, by looking at a man, or seeing him in a particular employ, to discover whether he is a communist working with a view to destroying industry or whether he is a citizen who is doing his best to earn a livelihood. It is very easy to condemn wholesale men who are working in industry, but it is another thing to interfere with, as we have been hearing right along, the liberty of an individual in an attempt to arrest and bring someone to trial simply because he is alleged to be of communistic persuasion.

The Minister of Labour (Mr. Mitchell) has been most fortunate in having had right along the active and helpful co-operation of the leaders of organized labour in Canada in furthering the government's effort to suppress the communist movement. I agree that Canada owes a great measure of thanks to the leaders of labour organizations in our country for the part they are actively taking in seeking to suppress any development of communism. No one knows better than members of the labour organizations themselves what the full effect of communism would be if that movement ever made any headway in their midst. It has been one of the privileges of the government to give, in this particular, to leaders of organizations that are furthering organization in a legitimate way as much assistance as they are able to give.

May I point out that in dealing with a problem such as communism one does not always make the most effective progress by publishing from the housetops everything that is being done. I think we have been successful in combatting communist tendencies in Canada in a large part because we have gone quietly about discovering where those forces were at work and, instead of advertising to the world what we are doing in all directions, have sought to gain our objective by quiet and effective means. My hon. friend said:

> Recent events in Europe, especially in Czechoslovakia and Finland, can leave no reasonable doubt that the aim of communism is to destroy democracy, wherever it exists, and substitute for it puppet police states.

Concerning Czechoslovakia we have all been saying that. That is the view which is held in all free countries. While Czechoslovakia has suffered in the manner she has so suddenly and unexpectedly it may well be that the disaster to that country may prove a beacon light which will guide the free nations to her deliverance as well as to the deliverance of other nations held in thrall by communism.

My hon. friend said that he wanted to give the house his views in regard to communism and to state how strong they were. As he read his views, and I say this to him most kindly, it seemed to me that he was reading from a speech which I made on January 20 of this year, in which I gave to the public of Canada my views on communism on an occasion which I believed would best serve to attract attention. If there is anyone here in this country who has expressed himself more strongly than I have about communism and the necessity of combating communism at every possible turn, I should be happy to be told that person's name.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, may I say it is unfortunate that a debate of the importance of this one should rise in the manner in which it has risen. I think most of us who would wish to take part in this discussion would have liked to have a little time in which to read what President Truman said today and also what has occurred at Brussels and the speeches which have been made as well as the statements which have been issued. I am not blaming the leader of the opposition (Mr. Bracken), nor am I going to blame the government. I am simply blaming the manner in which we conduct the business of this house. I think long ago we should have got farther ahead with the business of the house. I am not blaming any party; we are all responsible. We should have got ahead with business and it seems to me that from time to time, because of the grave conditions which face the world, we should have an opportunity in this house to discuss international affairs. I do not think those opportunities need be frequent, but from time to time we should have a chance to evaluate the international situation.

I speak as one who, throughout his public life, has been an opponent of communism. I think all those who know me know that I have never compromised with the communist

party. As long as I am in the position in which I am today, there will be no compromise with those who wish to overthrow the government by force and to undermine our democratic institutions, whether those people come from what is sometimes called the extreme left or indeed from the extreme right. We face a danger, not only from the extreme left but from the extreme right.

I only wish that I could say to the Prime Minister (Mr. Mackenzie King) this afternoon that what he has said with regard to the attitude, not of himself perhaps but of the party which he leads, has been as open as the record of the movement with which I am associated. I have before me the article written by Tim Buck which appeared in the communist or Labour Progressive publication *National Affairs Monthly,* the February issue. In that article he recommends that the Labour Progressive party should try to infiltrate into my own party, to undermine its leadership and to use it as a vehicle. I am going to say that no opportunity will be given to the Labour Progressive party to infiltrate into this party or to undermine it in any way.

All who have watched the international situation in the last month surely realize now that you cannot co-operate as democrats with a party that is anti-democratic, lest it destroy you in the end.

Mr. KUHL: They are all opposed to private enterprise.

Mr. COLDWELL: Let us leave that out this afternoon. I may say to my hon. friend that I am prepared to discuss private enterprise with him. I am prepared, if necessary, to quote from the statement made a few weeks ago by the state department of the United States. The state department told the United States people in its report on Europe "that western European socialism is one of the strongest bulwarks against communism." That, my friend, is a statement from the state department of the most powerful capitalist government in the world, and my hon. friend's interruption indicates that he does not know very much of what he is talking about.

I am going to say to my hon. friends opposite that I think they are guilty to a large extent for the degree to which communism has developed in this country in the last few years. I have in my hand this article by Tim Buck, from which I want to read one paragraph. He is defending the association which they promoted with the Liberal party in 1945, and this is what he says:

> I think, however, that we must once and for all agree that the Liberal labour coalition which grew up in the fight on the plebiscite, around the fight for a "yes" vote, around the fight of the trade union movement for production, and against the Tory attempt to take over and replace the King government, was fundamentally correct.
>
> Some comrades raised the question as though there were a principle involved, as though, well, now we can get back to communism, to Marxism; we strayed by allying ourselves with the capitalists. In "Left Wing Communism"—

I wonder how many members of the house have read the works of Lenin or Marx. If they had they would be under no illusions but would understand precisely the pattern of things as they have happened in Europe. It is laid down in the left wing communism of Lenin. Tim Buck goes on:

> Lenin points out quite categorically how the Bolsheviks allied themselves with the liberals and right-wing social democrats and left-wing social democrats and cadets, and were correct in doing so, to secure the immediate objectives. And Stalin on that question pointed out that anybody who claims that they must never ally themselves with sections of the capitalist class is not a Marxist and does not understand Marxism. There was nothing non-Marxist in our alliance.

That is, their alliance with the Liberal party.

> It was a class alliance that saved Socialism and defeated fascism. It would not have been defeated without it.

Mr. MACKENZIE KING: May I ask my hon. friend a question? In his reading from a statement by Tim Buck, does he take Tim Buck's utterances at their face value? Does he attach importance to them?

Mr. COLDWELL: I do not take Mr. Buck's statement at its face value. I would not take anything at its face value. I want evidence to show that it is true. Hon. gentlemen on all sides of this house know, if I may mention one particular by-election, the Grey North by-election, that the advertising of prominent speakers of the communist party who were to speak on behalf of the Liberal party in that by-election was paid for, according to the advertisement itself, by the Liberal association. Moreover, in other areas in Canada I know from my personal observations, that hon. gentlemen opposite were receiving the support of the communist party.

Mr. MITCHELL: Were these speakers my hon. friend refers to advertised as communists?

Mr. KNOWLES: I will go upstairs and get the advertisement.

Mr. COLDWELL: That was one of the big factors in the deception. They were not advertised as communists.

Mr. MITCHELL: I would just say this—

Some hon. MEMBERS: Sit down.

Mr. COLDWELL: I do not mind a question but my hon. friend will have an opportunity to make a speech later.

Mr. MITCHELL: If the defenders of liberty will keep quiet I would ask my hon. friend, were they advertised as trade unionists or as communists?

Mr. COLDWELL: I will read the heading: "Union Leaders Coast to Coast Support McNaughton." Everybody knew who these speakers were. Here they are: Harold Pritchett; Jack Shaw; Nigel Morgan; George Harris; C. S. Jackson; Pat Sullivan, at that time communist president of the Canadian Seamen's Union and others. Everybody knows who these gentlemen were. They were the leading lights of the communist party and they were there masquerading as union leaders. The advertisement says at the bottom "Published by the authority of the Grey North Liberal Association."

I am not doing this merely to score a debating point off the Liberal party, but because the movement with which I am associated in this country has taken a great deal of misrepresentation from members of the Liberal party and I want to set the record right. We have never co-operated with the communist party in this way, and as long as I occupy this seat we never shall.

Coming to the question before us, the leader of the Progressive Conservative party asks for an investigation into the civil service and he referred to Mr. Attlee's action. I quite agree that persons who cannot be regarded as loyal to this country should not be in positions of trust where they can betray the interests of this country at a given time. But I do not believe that because a man holds particular views, though he be a communist, he should be denied the right to make a living. I like the statement made by the Prime Minister of Great Britain, who said: We are going to remove from positions of trust people whom we cannot trust. We are going to remove them from certain positions in the civil service but we shall do so in some manner which will enable us to give those people some position where they can continue to make a living.

I do not think in our country we should try to penalize people on account of their views. We have right to see to it that we do not have people in positions where they can betray the country should the opportunity arise.

I think the Benelux treaty today, judging from the statements I have seen, is a step in the right direction. Primarily it is a step for the rehabilitation of western Europe economically, and I am one of those who believe that if western Europe be rehabilitated economically we shall have gone a long, long way towards maintaining peace and defeating the onward march of communism, because communism thrives on poverty, misery and want. We can all shout hysterically in this chamber about the menace of communism, but unless we remove these factors which, among the distressed masses of the people, bring about communism we shall not succeed in meeting the menace.

Let me say this to the Minister of Justice (Mr. Ilsley), I know of nothing that will promote communism and subversive activity to a greater extent than the denial to the working class of this country of the right to organize into unions of their choice. When I picked up the newspaper this morning and read of the legislation that had been passed in one of our own Canadian provinces, in Prince Edward Island, outlawing not only international unions but national unions, I said to myself, there is something that will promote discontent and will play right into the hands of those who say that, when the time comes, the capitalist governments will destroy the legitimate working class unions of the country.

Mr. ROWE: Was that a Liberal government?

Mr. COLDWELL: Yes, it is a Liberal government. I would say to the Minister of Justice that if there has been one act passed in recent years that should be looked into with a view to reservation at least, or the exercise of the power of disallowance, it is this one. It is a much more menacing measure than some of the things that were disallowed in Alberta. I say it is a measure which should be considered by the government with a view to protecting the rights of men and women in that province as Canadians in the exercise of their civil rights.

I do not think action, as is sometimes suggested to prevent the spread of communism, can be effective unless we remove the causes of social and economic injustice. There are two spots in the world today where international affairs are pointed up. One is the failure of

the governments to solve the problem of Palestine, and bloodshed on the 15th of May may well come about and Palestine may set the world aflame. I hope that the government of Canada will use every means in its power to persuade all the great powers, including Britain, to consider how best the situation can be handled when the 15th of May arrives. After all, these powers are all members of the united nations, and, while I am not asking for any direct approach to these nations, we are represented on the security council and our representative there can make the necessary pleas to the great powers to reconsider the position and see to it that bloodshed in that area is prevented, because bloodshed there may mean bloodshed over a much wider area. Then, of course, the jolt we had recently in Czechoslovakia has been mentioned in the house. I want to read not what I said, although I said substantially the same thing, but what the national executive of the party I represent said on the Czechoslovakian situation. It said this:

> Czechoslovakia offers the latest example of communist ruthlessness and contempt for democratic principles and methods.
>
> The Czech people had for centuries carried on a struggle for democratic self-government. After world war I they established a republic whose institutions and social progress were a model of democratic advance. During world war II, Czechoslovakia turned voluntarily toward the Soviet Union in its foreign policy. An all-inclusive Czech government had been formed and all parties kept loyally to a pro-Soviet external policy and to an internal policy of socialization and land reform. In short, in the new Czechoslovakia, Russia had a firm friend and the domestic communists a dominant influence. Yet these things did not save Czechoslovakia.
>
> Communist methods are the same everywhere. They are utterly irreconciliable with the aims, program and methods of the C.C.F. Our sympathy goes out to all Czech democrats, whose plight strengthens our determination to oppose communism. Whatever their line at any particular time, the communist goal always remains the same: the destruction of democracy and, with it, of the democratic socialist movements.
>
> We emphasize however, that the only effective way to combat communism is by the establishment of social and economic justice in our own countries.

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

Mr. COLDWELL: Yes.

Mr. LaCROIX: Does the hon. member not think, if the communist party had been outlawed in Czechoslovakia, it would not have attained power?

Mr. COLDWELL: No, I do not think so. I think, as a matter of fact—

Mr. LaCROIX: If they had been outlawed at the beginning?

Mr. COLDWELL: As a matter of fact, I think the outlawing of political movements throughout history has shown that these movements gain strength through sympathy. I am not one of those who believe that by persecution and outlawing and suppression you can kill a movement.

Mr. LaCROIX: They would never have attained political power.

Mr. COLDWELL: It is like a germ. You expose a germ to the full rays of sunlight and it dies. I prefer to know where my opponent is rather than have him working underground, in the dark like a mole.

Mr. FOURNIER (Maisonneuve-Rosemont): I think we should remember the beginning of Christianity.

Mr. COLDWELL: Yes.

Mr. FOURNIER (Maisonneuve-Rosemont): They were outlawed at that time.

Mr. COLDWELL: Perhaps the persecutors of the early Christians and the outlawry of those who carried the gospel throughout the world did much to promote the gospel across the world. I do not think that outlawry would in any way remove the causes which make communism grow.

As I say, I would have liked to discuss this problem at greater length. I have tried to make the position clear—

Mr. TUCKER: Will the hon. member permit a question? Does he not think the government of Czechoslovakia did the very best they could to remove the causes that lead to communism, but they did not succeed there?

Mr. COLDWELL: Yes, they did. I think no little nation in the world did more in the time at its disposal to remove the causes which would promote communism than Czechoslovakia did. Let me point out that Czechoslovakia had just emerged from war. After all, it is less than three years since Czechoslovakia was liberated; and do not forget that her boundaries were adjacent to the great communist state, the Soviet union. Unquestionably, there was pressure from without as well as a well organized movement from within. One other tragedy was this, of course. During the early years of the war when Czechoslovakia was invaded by Hitler the communist party was there. It was not averse to Hitler. Indeed

the communists of the world were co-operating with Hitler, and the leaders of the socialist democratic movement like Benes, Masaryk and Doctor Nemec who was here as our minister, leading socialist democrats, all fled; but the communists remained, because at that time, as in France and in other countries, they were co-operating with Hitler, because of the Stalin-Hitler pact. The leaders of the social democrats had all gone into exile or to death; the communist leaders remained and organized. There is no doubt that once Russia was attacked and was in the war, all the communist leaders in the country who were left behind were there to conduct the leadership of the underground against Hitler as soon as Russia was in the war, and the result was that they placed themselves in the position of leadership and strengthened their party. I do not want to enter into an argument with my hon. friend—

Mr. TUCKER: What has my hon. friend to say to the statement of the Labour government of Great Britain that communism in a democratic country cannot get into power without the support of socialists?

Mr. COLDWELL: As a matter of fact, that is not the only statement of the Labour party in Great Britain. Here is part of the statement:

> The issues before us no longer permit of any prevarication. Socialism is meaningless without democracy. Democracy cannot live without freedom of speech, press and organization, without the right to protection against arbitrary arrest, the right of appeal to a non-political judiciary.
>
> Any attempt to achieve socialism by means which deny democracy and human rights, particularly by the operation of an all-powerful secret police, must lead inevitably to a dictatorship indistinguishable in its impact on the common man from fascism as it existed in Italy and in Germany, and as it still exists in Spain.
>
> Czechoslovakia is an acid test of sincerity. Those who seek to condone this crime show that they are false to the principle of democratic socialism for which the Labour party stands.

Mr. TUCKER: That is not the statement to which I refer. The statement I refer to is the one that in Czechoslovakia, without the support of left wing socialism, no communist government could arrive in power.

An hon. MEMBER: You are quoting Tim Buck.

Mr. TUCKER: I am not quoting Tim Buck.

Mr. COLDWELL: The hon. gentleman is right. There is a sentence earlier in the statement which, taken out of its context, would mean exactly what my hon. friend says:

> But Czechoslovakia teaches us something more. Communists cannot achieve their aims without support from a minority within the camp of democratic socialism.

Mr. TUCKER: Exactly.

Mr. COLDWELL: I do not deny that, and I say I agree with what the Labour party says, that Czechoslovakia is the acid test of sincerity; and those who seek to condone this crime show that they are false to the principle of democratic socialism for which the Labour party stands.

Mr. TUCKER: May I ask another question? Can the hon. gentleman be sure that a minority does not exist in his own party today—

Mr. COLDWELL: May I say this to my hon. friend, that we can be sure of nothing in this world. Can the hon. gentleman be sure that, sitting all around him, in various places opposite, there are not hon. gentlemen who were elected and given their majority by communist support in their constituencies?

Mr. TUCKER: Mr. Speaker, we do not believe the same fundamental principles of complete socialization of everything.

Mr. COLDWELL: The hon. gentleman can make a speech if he wants to. I think he will agree with me that at no time have I endeavoured to fight a provincial election in this chamber. I suggest to the hon. gentleman that the place to do that is in the Saskatchewan legislature.

Mr. TUCKER: This is more than a provincial matter.

Mr. GARDINER: Might I ask a question?

Mr. COLDWELL: Yes.

Mr. GARDINER: Did the hon. member ever know Eric Bee?

Mr. COLDWELL: Yes.

Mr. GARDINER: Did Eric Bee travel with the hon. gentleman through Saskatchewan in a campaign?

Mr. COLDWELL: Yes.

Mr. GARDINER: And was not Eric Bee afterwards proven to be a communist?

Mr. COLDWELL: Afterwards.

Mr. GARDINER: He was afterwards proven to be a communist. In other words, you do not even know sometimes that your travelling companion is a communist. That is one method of infiltration.

Mr. COLDWELL: Perhaps my hon. friend, since he asks me a personal question, will acknowledge this, that one of the little books which I read in support of communism the

hon. gentleman himself lent to me in 1931 or 1932, "Soviet Primer". Perhaps the hon. gentleman remembers that.

Mr. GARDINER: I do not remember having lent my hon. friend a book on communism, but I have read books on communism, and that is one of the reasons why I do not agree with it.

Mr. COLDWELL: The same here. I have been driven by a lot of people across the country and I have had very good drivers who turned out to be pretty good Tories, I have had good drivers who turned out to be good Liberals, and in this case I had a driver who afterwards turned out to be a communist. I do not think we should penalize people in our own country, our own citizens, for their political views. As far as I am concerned, I have never allowed a man's politics to interfere with my personal friendship, and I do not intend to do so, whether he is a communist or not. The Minister of Agriculture would probably know that another old friend of mine was a communist, and let me say this of that old man, who dropped dead some years ago. He was a communist and I detested his philosophy; but, do you know, I never in my life met or was associated with a man who exercised Christian principles to a greater extent than my old communist friend. He would give the last penny he had, or his shirt from his back, to anyone in distress. I do not think the fact that I knew a man of his description, who was a communist, should blacken me, any more than I drove with a man who was a communist.

Mr. GARDINER: Any more than the man who happened to turn out to be a communist afterwards addressed a meeting on behalf of a Liberal candidate in a by-election.

Mr. COLDWELL: Now, Mr. Speaker, I have spoken too long. I have said some of the things I wanted to say, and if a debate on international affairs comes up I hope we shall have an opportunity to stick to international affairs and not merely debate political issues of this sort.

Mr. SOLON E. LOW (Peace River): I feel that I should take a few minutes to make a declaration of faith on behalf of the Social Credit group, especially, sir, because the resolution brought up by the leader of the opposition (Mr. Bracken) is at this time so very important to the people of Canada.

I too would like to have had some time for preparation. I shall have to speak entirely extemporaneously, but I hope I shall be able to add at least a few things to the debate on the positive side.

Let me say at the outset, Mr. Speaker, that I should like to have seen in this house some weeks ago a full dress debate on external affairs. I do not believe that an occasion of this kind could possibly substitute for such a debate. This is a good opportunity, however, to discuss the dangers that Canada faces from the creeping paralysis of communism, which seems to be engulfing all of Europe and much of Asia, and which seems also to have some of its roots well established in our own land.

I want it definitely understood from the outset that as a Social Crediter, from the time I became interested in public affairs I have denounced communism. I have constantly and consistently opposed communism not only by what I have said but, I hope, also by the way I have acted. I believe in and advocate policies which are diametrically opposed to the principles of communism. I shall continue to do so as long as I have breath, Mr. Speaker, because I believe that those policies of Karl Marx which were spawned in the cesspools of Europe are evil things and must not be allowed to be transplanted into fertile soil in Canada. There is no room for an imported evil thing like that in our country.

I believe that anybody who takes the trouble to examine the records will find that the *Canadian Social Crediter,* the little newspaper which has been published weekly now for a good many years, has consistently, week in and week out, exposed communism and the program of the communist international for world domination. Years ago, before any activity was noticeable in other parties in this country, our little newspaper was pounding this thing out. Not only that, but the hon. member for Wetaskiwin (Mr. Jaques), on practically every occasion on which he could get the ear of this house, has denounced communism and has warned the Canadian people against it. Moreover, he has shown in many instances the ways in which communism has hoped to install itself as the ruling force, not only in Europe but in this country as well. Week in and week out he has given of his knowledge and understanding of this whole matter. Sometimes he has been heaped with opprobrium because of his work in this regard, but I honour him for his determination to do everything he possibly can to counter this evil thing. Social Crediters have consistently advocated policies which, if they had been introduced into Canada, would have left little if any fertile soil for the growth of this international thing, this totalitarian form of dictatorship.

At this stage I should like to pay tribute to that courageous and dynamic newspaper,

the Windsor *Star,* for what it has been doing during the past two weeks to expose the whole communist plot. I think it is rendering a signal service to Canada and is helping to ensure the security of the Canadian people. There is only one way by which we can warn the people against the evils of communism, and that is by getting over to them the truth about it and then by comparing with it what we have been able to accomplish under a private-enterprise free society. The Windsor *Star* is doing a great job. I have no idea as to just how accurate some of the things are which the author of the articles in the paper has said, but from my own knowledge much that he has said about the whole communist plot is founded on fact.

There are certain organizations in Canada which must bear some of the responsibility—how much, I am not prepared to say, but some at any rate—for the condition in which Canada finds herself today. I shall not give names, but I will say this: It was unfortunate that in a wave of hysteria there were organized in Canada, back about 1943, a number of organizations which have since proved to be nothing but communist fronts. Social Credit warned the people of Canada against those communist fronts right from the beginning. Unfortunately those organizations numbered among their members university professors and public men of every description. By their activities they lent aid and assistance and gave comfort to this terrible thing which now is creeping and spreading its limbs and branches over the whole world.

There are certain other organizations which must bear some of the responsibility for the situation. If Canada is in danger today, as certainly she is, then I must say that the party of my hon. friend the leader of the C.C.F. must bear some of the responsibility. I was happy to hear his declaration of faith today; and I believe that he is sincere and in earnest in declaring to the world that so far as he is concerned communism will not get into his party—I think he used the words "infiltrate itself" into his party. The trouble is that the C.C.F. have constantly advocated policies in this country which are nothing but marxism.

Mr. STEWART (Winnipeg North): Nuts.

Mr. LOW: "Nuts" if you like. The hon. member for Winnipeg North certainly knows all about nuts. He is one of the people who has advocated friendship for Russia and a softening of the attitude towards communists. So the hon. member for Winnipeg North has nothing to say.

[Mr. Low.]

Mr. COLDWELL: Has the hon. member for Peace River forgotten the Edmonton by-election in 1938, when the premier and the leading communist celebrated the victory of Mr. Orville Kennedy?

Mr. LOW: That, of course, is not at all founded upon facts.

Mr. COLDWELL: Oh yes, it is.

Mr. LOW: My hon. friend does not know the first thing about it.

Mr. COLDWELL: Yes, he does.

Mr. LOW: No, he does not. They certainly did not do that.

Mr. COLDWELL: They spoke together.

Mr. LOW: I am putting forward the thesis that the party of the hon. member for Rosetown-Biggar must share a good deal of the responsibility for the spread of communism in this country.

Mr. COLDWELL: Don't be ridiculous.

Mr. LOW: I hope I shall not be ridiculous at all, but I am just placing before the house some of the things which I think my hon. friend will have to admit as facts. I do not wish to cast a reflection on any hon. member in this house. But in order to show what I am getting at, I must read an extract from the Edmonton *Journal* of June 27, 1945, just after the election of 1945, that involves a member of his own party. Before I read, however, I should like to say this. Nobody can say whether his party contains people who are communists. Nobody can say that he can vouch for every person within his group. There is not one of us who can say that no communism will insinuate himself into his party. It is a thing which it is impossible to say with certainty. But it would be quite possible to say that if any communism shows its head in our party, we will mighty soon take action towards getting it out; and that is the position that I take.

Mr. LaCROIX: That is what we have in Quebec.

Mr. WRIGHT: A louse never attaches itself to anything that is not alive.

Mr. LOW: That is true; and let me say to my hon. friend from Saskatchewan that even a louse clings to the flesh on which it feeds.

Mr. WRIGHT: We realize that.

Mr. LOW: These are serious things, Mr. Speaker. These things must be carefully weighed while we are talking about communism and the dangers of communism as far

as Canada is concerned. It is easy for us to say that we will have nothing to do with communism; but I will say that it is no mere accident that the communist party has declared that it is going to support C.C.F. candidates, whether they want that support or not. That is not an accident, and I will show you why. It may be thoughtlessness on the part of some members of the C.C.F. party when they say things like this, but it is just such thoughtlessness that undermines the faith of the people and spreads confusion and chaos.

Speaking at a banquet in the Corona hotel in the city of Edmonton on June 26, 1945, the hon. member for Cariboo (Mr. Irvine) who had just been elected, is reported as having said this:

> The C.C.F. party in the recent federal election lost a great "weapon" when it failed to capitalize on the popularity Russia achieved in five years of war, Mr. Irvine said. We should have made it clear to Canadians that Russia, a socialist country, is our type.
>
> Our political opponents could hardly say that Stalin is a nazi. But for some reason we dissociated ourselves from the type of socialism they have in Russia.

Well, Mr. Speaker, that is perfectly clear; and it is patent now that when the danger begins to show itself the party which had played around with communism feels that for political reasons it has to get up and denounce communism. Not only that; those parties and those organizations in this country that have advocated policies which are contained in the principles outlined in that book, the Communist Manifesto, must bear a share, and a great share, of the responsibility for the softening of the people to communist principles in this land. When anyone who goes about engendering class strife, trying to set off one class against another, whether it be labour against the industrialists or whether it be labour and farmer against the rest of us, it must be realized that the idea emanated from the classless society idea of Karl Marx and Engels. That sort of thing has been preached in this country until a good many people believe it. Anyone who votes for centralization at every possible opportunity promotes the idea that the only way we can get security in this country is to centralize everything in the hands of a few bureaucrats; so you cannot blame the people for falling into error in their thinking when such policies are constantly advocated and when the opposite idea of decentralization is scorned and held up to ridicule as the reason so many people have to suffer.

Let us go on. This idea of government ownership, government monopoly, is a Marxian principle. How in the world can we now protest against communist beliefs when that sort of thing has been preached so assiduously in this land for the last twenty years? The idea of the redistribution of poverty, levelling everybody down, has been preached far and wide, and has been given as one of the means by which, in due course, this country will be able to have security, and that this is the only way it can be brought about. How in the name of common sense can we expect people to do other than look with some favour and sympathy upon communism and upon Russia in the face of such propaganda?

Mr. ARCHIBALD: Don't you have government ownership in Alberta?

Mr. LOW: No, we have not.

Mr. MATTHEWS (Kootenay East): Is the hon. member repudiating the government-owned telephone system in Alberta?

Mr. LOW: No. We have government ownership in Alberta only in connection with services which definitely lend themselves to government ownership.

I say, Mr. Speaker, it is not by accident, by any means, that the L.P.P. in this country have decided the only way they can get into power is through the C.C.F. party.

There is one other thing I believe should be said at this time. Canada has been pursuing policies which have put us in a position of great danger should a communist coup ever develop in this land. For example, it seems we have done our utmost to centralize the control of communications. Take our radio, for example. How easy it would be to cripple communications, simply because of the degree of centralization we have attained in this country. Some of us, realizing that several years ago, warned the people and advocated decentralization as a security measure. Let me point out that when Field Marshal Montgomery was here the government held a state dinner for him at the country club. Speaking at that dinner the field marshal mentioned, among five important things Canada would have to do if we were to be strong, the matter of decentralization. It is true he only developed one phase of it, that is military decentralization, but he certainly indicated that the decentralization of various things would have to be accomplished if we were to make Canada safe and secure. I say that anything which tends to centralize the control of vital things in Canada in the hands of a few people

becomes a great danger when there is the possibility of a general strike or of a communist coup.

Mr. STEWART (Winnipeg North): If the hon. member will permit a question, does he agree with the president of the Saskatchewan social credit league that communist and fascist activities are carried on within the Social Credit party?

Mr. LOW: I did not even know he had said such a thing.

Mr. STEWART (Winnipeg North): He said so, in a broadcast.

Mr. LOW: I would have to make certain he did say it before I answered the question.

I was saying that anything which tends to centralize the control of vital things in the hands of a few becomes a danger in times of crisis. Today in Canada we are centralizing the control of food in the hands of a single board. We are taking step after step in that direction, and I say that becomes a very dangerous thing in case of crisis involving a communist coup. It seems to me we ought to begin, just as soon as we possibly can, the opposite course and try to decentralize controls, and place back in the hands of the people to the greatest extent possible the control of those vital things which in time of crisis might be used by enemies of the free way of life to lead us into the clutches of these totalitarians who wish—there is no question about it—to get us in their grasp. It seems to me the government ought to forsake some of the policies they have been following and turn to policies of decentralization.

I want to assure the Prime Minister and his government of every support this party can possibly extend in meeting whatever may develop along the line we have been discussing. We want to help the government to clean house. We think there should be a house cleaning. We think the government must be making efforts right now; I am quite sure they are, and I commend them for whatever they have done and are doing. The Prime Minister did not hear any discouraging remarks or adverse criticisms from this party at the time Mr. Gouzenko made his revelations. We supported him throughout, because we knew he had to take unusual means to deal with a very dangerous situation. And we are prepared to go further and support the government in anything they feel they must do to secure Canada and make it impossible for communism to get a hold here. Only we say go ahead!

There are a number of positive things that can be done, I throw out these suggestions which may be of help. It seems to me that instead of being afraid to look at communist literature we should call upon the departments of education in the various provinces to take the communist manifesto and, by whatever means may be in their power, make known to the people what it contains. It is only through lack of knowledge of the truth that the people fall into error. I want to see the people of Canada thoroughly familiar with what this book contains. Not only that, but side by side with the principles set out in the communist manifesto I would like to see made known to the Canadian people just how far Canada has gone in giving the people the results that Marx and Engels declared a hundred years ago they would give the people, and how it has been done without seriously lessening the freedom of Canadians, and under a system of private enterprise.

I believe we have the greatest country on the face of the earth. I believe that Canada is capable of yielding the finest standard of living to its people of any country in the world. I go further and say that if the Canadian people really know what communism means, and if they know at the same time what we have accomplished through private enterprise and what yet might be accomplished through the application of scientific principles of finance under our democratic way of life, there will not be much danger from communism. The best way to fight communism is to make our democracy yield results which spread happiness and contentment amongst our people.

I submit that in our citizenship we ought to attempt to develop a dynamic faith in democratic institutions. I pay tribute to what was said here a short while ago by the hon. member for Athabaska (Mr. Dechene). I think everyone ought to be careful to guard his tongue and see to it that he does not undermine the people's faith in democratic institutions and democratic processes. I say without fear of successful contradiction that until Canadians develop a dynamic faith in their way of life, a faith in Canadian democracy that is as dynamic as the faith which communists have in Russia, we cannot hope to combat communism.

I think we should make more of our citizenship. We should inculcate into our people, especially into our youngsters in the schools, pride rather than apology for our way of living. I am afraid that too often propagandists play up the wrong side of the picture. We are all guilty of that more or less, and I hope we will come to our senses and stop

it. The only way to develop pride in anything is to become aware of the fine things in it. It seems to me that it is high time all of us put aside any prejudices we may have and combined our efforts in helping our people to attain that pride in Canada, that pride in Canadian citizenship, that pride in our way of life, which will tide us over any kind of crisis that may come.

I would have liked to say something about our external policy as it relates to this whole matter of communism. At the first opportunity I am going to discuss questions that are of interest to me, particularly those with which I had something to do when at the united nations assembly last fall. I should like to throw out one suggestion. In dealing with problems at the united nations or in connection with our external relations I think it is dangerous in the extreme for the Canadian delegates to take a stand on any problem that may require unusual means of implementation, before they have decided how the solution they decide upon is to be implemented.

I am not going to discuss the merits of the Palestine partition at the moment; I shall refer to that at another time. But I am quite certain that Canada made a mistake. I believe that the Under-Secretary of State for External Affairs now believes that we made a mistake. I have in my hand a clipping from the Ottawa *Journal* of March 3 to which I should like to refer briefly to support my belief. Mr. L. B. Pearson speaking at the united nations said:

> We feel, in short, that the commission is not now in a position to carry out its mandate in Korea.

Then a little further on he says:

> The ones who will, of course, suffer most from this policy of the USSR are those who least deserve it, the Korean people. I hope that nothing I have said will be interpreted as suggesting that my government is not anxious to see a free, united and democratic Korea brought into being at the earliest possible date.
>
> My government strongly supports that objective and feels that the policy of the USSR in preventing its realization is to be condemned. We do feel, however, that it would be unwise to seek to associate the united nations with an effort to achieve this desirable objective, by asking its commission in Korea to do things that it has not, under its terms of reference, the power to do.

If what Mr. Pearson says is good for Korea it should have been good for Palestine. We must not be led or pushed by any pressure into making decisions that we just have not the power to implement. I am afraid that perhaps we have let ourselves in for some criticism through having done that already.

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I think I should say a few words on this motion because I am at the head of the Department of Justice. Attorneys general and ministers of justice in various democratic countries of the world are peculiarly interested in communism. They are peculiarly interested in it because it is a menace to established law and order. Perhaps the leader of the opposition (Mr. Bracken) is to be commended for having brought up this matter, but I think it would have been better if there had been some notice so that we on the government benches could have been prepared to deal with it more completely.

Mr. BRACKEN: May I just say I understood, and I think others understood, that we had asked for an opportunity to discuss this matter, and while I do not criticize the government, the opportunity was not presented.

Mr. ILSLEY: We had no notice of this motion until we got into the house this afternoon, and therefore were not prepared to deal with it in as complete detail as we otherwise would have been.

One fact which the debate has brought out is that there is not much, if any, division among members of the house in their views with regard to communism. All parties deplore its inroads, and while there may be some difference of opinion as to what steps should be taken, that is whether it should be outlawed, all hon. members feel that it is a menace to our parliamentary institutions, to our civil liberties and to what we call our way of life. It is important that the people of Canada be awake to what is going on in the world and to what is going on in Canada. I have here a recent book which has received favourable reports. It is entitled, "World Communism Today" and is written by Martin Ebon. In the first chapter he gives a rapid review of the development of the strategy of communism since 1920 when the third international was formed.

According to this writer, we are now in what he calls the seventh strategy. The first strategy was from 1918 to 1920. During that time the communists were advocating world revolution. They believed that world revolution was imminent, that their society was the form of society which would be established very shortly the world over. But events did not materialize in the way expected by them, and so a second strategy was adopted between 1921 and 1927. This was a retreat from revolutionary activity to agitation. The strategy followed during that period was agitation instead of armed revolt.

The third strategy was from 1928 to 1934. This strategy centred on Russia. Russia was regarded as the important state, the state which must be developed as the mother of communism, the country which must succeed, which must be put on her feet if communism was to make inroads in other countries. Therefore revolutionary extremism was promoted in the world at large as a protection for Russia. That was the third strategy.

The fourth strategy was from 1935 to 1938. That was the period of the united front when the communist party joined with other parties, socialists and other parties in various countries; for instance, the Blum government in France.

The fifth strategy was from 1939 to 1940. That, of course, was the period when the agreement was made between Stalin and Hitler. The communists the world over then began to denounce the allies as vehemently as they had previously denounced the nazis. They made a very sharp turn in 1939 and caused their followers everywhere great difficulties, but they carried them with them pretty well during that period from 1939 to 1940 and early in 1941. If Canadians as a whole would really acquaint themselves with what communists said and taught and advocated in Canada in that period they would be appalled, because they would realize that fundamentally persons who are true communists have no loyalty at all to this country as Canada. That was abundantly proved in the period of the fifth strategy. That is the period of the war which they described as the imperialist war against Germany.

Then, when Russia was invaded in 1941 the period of the sixth strategy set in, when another sharp turn was made, and communists in countries such as Canada and elsewhere joined with the governments of these countries in prosecuting the war and doing the best they could to help defeat Germany and helping Russia indirectly to win the war.

Then in 1945 or 1946 the period of the seventh strategy set in, which is the period we are in today. It is different from any of the others. It is a period of national revolutions rather than a world revolution—national revolutions brought about in a peculiarly subtle and insidious manner. The technique is familiar to everyone in this house. The communists, often very experienced and extremely able, many having received training in Moscow, and then coming back to their own countries for which they had fought bravely during the period of the sixth strategy when they were seeking to promote the victory of Russia—these communists by one way or another get into governments and, if possible, get control of the department which has charge of the police and the department in charge of the radio, and sometimes the Department of Justice, sometimes the Department of Defence, but most of all the Department of the Interior, as it is called in most countries, the department that controls the police. From then on there is a gradual disintegration of the government. The police take charge; if they can, the communists get control of the radio as well, and before very long the government breaks down and becomes a communist government. Then the leaders of the other parties are imprisoned, often tried, sometimes executed. Other parties are outlawed. Just about that time an election is held, and when the election is held the communists are elected overwhelmingly.

This is the period of the seventh strategy, the period of national revolutions brought about in this insidious way. Parallel with this attempt to get control of governments there is a skilful infiltration into the trade unions, which in Canada is a more important factor than the other. In Canada we have today no communists in this house. We have no communist party here. The communist party in the legislatures and in municipal councils is very weak. The Labour Progressive party does not amount to much as a political party in Canada. It is not strong and does not carry its elections. But proportionately they are very much stronger, I am afraid, in some of the trade unions in Canada; and I would say, without trying to cause any undue alarm, without saying anything that would cause panic or anything of that kind, that the situation at present in Canada is such that Canadians would do well to examine all the facts and be alert to this matter, and be alert to it every day, and see that it does not spread very much further. We are acquainted with the communist mentality. It is a sort of fanaticism they have for Marx and Lenin and their other prophets. In their eyes the end justifies the means and ordinary rules of morality do not apply. They are quite ready to join civil liberties associations and any other kind of association and to advocate freedom of thought and freedom of speech and freedom of action and freedom of religion until that time when they will suppress all those very freedoms themselves. And the people of Canada should realize that.

Mr. ROWE: If the minister would permit a question, does he think anyone who has been a member of the communist party should be employed in the civil service of Canada?

Mr. ILSLEY: Mr. Speaker, my answer is, no, I do not think so. I certainly do not believe anyone who is a member of the communist party of Canada should belong to the civil service of Canada. But the hon. gentleman's question was, should anyone who has been a member of the communist party be employed in the civil service? There might be a case of genuine conversion among these people. I do not know that I would go to the length of saying there could not be, but I do say that no communist should be allowed to serve in the civil service of Canada. In that respect I would go farther than the Labour government in Great Britain has gone, because I understand they have simply made a declaration that communists should not occupy positions of trust in the government service. I do not believe that goes far enough.

Mr. ROWE: I am glad to hear the minister say that. Just one more question. I am not, of course, endeavouring to insinuate that the government are hiring any communists; I do not believe they are, but does the minister not think it would be wise to have an investigation of the whole civil service of Canada to see if there are any in the civil service who are communists?

Mr. ILSLEY: The government has been very alert about that. We have avoided answering questions about it. Not many questions indeed are asked. It is not an easy thing to explain or to deal with. A general investigation would be a most difficult thing. In the United States they have run into terrific difficulties in trying to assess the political beliefs of people in the civil service and to deal with them in accordance with their beliefs. It is a most difficult problem. It is easy to talk about making criminals of them, or putting sections in the criminal code to deal with them. But the government has decided that the situation is such that there are sections of the Immigration Act which can be applied to prevent this influx of communist labour leaders from the United States who cannot work there because of the Taft-Hartley Act. We have decided that that influx can be stopped and will be stopped under our Immigration Act. We have decided also to do everything we can to protect our civil service against any infiltration of this sort.

Mr. COCKERAM: Is any action being taken to get these communists from across the line out of this country?

Mr. ILSLEY: The answer is yes. Let me proceed. I want to deal with the divisions of importance of the address of the leader of the opposition. He made certain suggestions. He said we should see that we serve society better than the communists can serve society. I wholly agree with that remark; and all the statutes, all the information that we have, indicate that by any comparisons which have been made our standard of living is higher, the return per capita for the same amount of labour is very much greater and our system does work better than any known communistic system works. But that does not excuse parties; it does not excuse governments; it does not excuse parliament from keeping continually before them as the primary objective of their activities the welfare of the masses of the people, and that must, of course, at all times be done. I think the leader of the opposition expressed it very well when he said that we must serve communities better or serve society better than any rival system. We think we are doing that. I am confident myself that we are doing that very much better; but the leader of the opposition is thoroughly sound on that, that the welfare of the masses, the welfare of society, the sort of things that improve the lot of the rank and file, and so on, should remain right to the fore in the objectives and the programs of governments. That was the first suggestion. It was a general and perhaps an obvious one; nevertheless it is one with which we thoroughly agree.

Another suggestion was that we should associate ourselves with the United States of America and accept our share of the moral and economic leadership of the world. Well, I agree with that. We have done so to such an extent that we are criticized by some on the ground that we have too many people abroad, at the united nations and at the food and agricultural organization, and at these various specialized agencies of the united nations, and so on. But certainly this country has co-operated to the full not only with the United States of America but with the United Kingdom and with other countries that are interested in the rehabilitation of the world.

Another suggestion was that we should help other nations to re-establish themselves; that we should see that our customers are put back on their feet. I was glad to hear my hon. friend say that because he has not been very consistent on that. I remember about a year ago that he went on the radio and spoke about export credits. He said something like this: we are lending to people in other countries money with which to buy our own goods. And we have been under very strong criticism because of the money we have lent to other countries.

In the United States of America they have at the present time what started as the

Marshall plan. Last June, at Harvard university the United States secretary of state made a speech in which he indicated the willingness of the United States of America to help other countries that were willing to help themselves, and that has developed into what is now called the European recovery plan. It has passed the United States senate and is, I believe, before the house of representatives. It proposes the expenditure of $5,300 million in the next twelve months for the assistance of sixteen European countries, these countries having first made and prepared a plan of self-help among themselves. So far as Canada is concerned, we were, I was about to say, pioneers in this program of assisting or promoting European recovery. During the war, in spite of considerable criticism, we foresaw that developments might be something along the line of what they have been; that is, that after the war, there would be a terrific shortage of purchasing power on the part of the countries that were engaged in the war. We adopted the policy of mutual aid, and this policy of mutual aid was considerably greater per capita for Canada than the similar lend-lease aid of the United States of America. Then, since the war we paid our share of UNRRA, which was very great. It was on a per capita basis proportionate to that of the United States of America. After the end of UNRRA, we have paid some money for post-UNRRA relief; but our last program, our extension of credits to the United Kingdom and to other European countries, has been very great.

Mr. MACKENZIE KING: And cancellation of debt.

Mr. ILSLEY: And the cancellation of debt of the United Kingdom for the British commonwealth air training plan. A while ago the ambassador of Canada to Washington made a speech in the United States in which he pointed out that the credits authorized since the end of the war have in Canada amounted to something over $1,750 million. They have not all been used yet. I think the amount used is something like $1,500 million, but the credits authorized for the United Kingdom and these other European countries is something over $1,750 million, and that is considerably more per capita than the credits that have been authorized by the United States of America, if considered with relation to national income, or if considered with relation to the population of the United States. As a matter of fact, in his column not very long ago Mr. Walter Lippmann had this to say. I happen to have it here:

> Man for man, family for family, taxpayer for taxpayer, the Canadians have borne a heavier part of the burden of European reconstruction than we have. Though the Canadian population is only one-twelfth as large as the American, though the Canadian national income is only one-eighteenth as large as ours, the Canadian contribution to European reconstruction is one-fifth as large as ours.

Of course this country has a continuing interest in seeing that these countries in Europe have their prosperity and purchasing power restored; but apart from economic grounds altogether, we have this other interest, which is that if a condition is allowed to develop which leads to revolution and chaos in these countries, then we have the spread of communism over a very much greater area of the world's surface. We then are driven to measures of some kind to prevent it from coming any farther. If it eventually succeeded, our liberties, our laws, those freedoms to which we are attached and which we prize so highly are gone, and consequently we have the greatest interest in seeing that European recovery is promoted. Therefore I again agree with the leader of the opposition in that section of his address.

Some parts of this debate this afternoon have taken a political turn. I do not want to add to that. Canada has made considerable contribution to the exposure of the methods of the communists, and in that way, I think, to the combatting of communism. In the book to which I referred this passage will be found at page 273:

> The report of the "royal commission to investigate the facts relating to and the circumstances surrounding the communication, by public officials and other persons in position of trust of secret and confidential information to agents of a foreign power" was published in Ottawa on June 27, 1946. It is the most thorough official document relating to communist activities to appear since the announcement of the comintern's dissolution. The report and the testimony of Igor Gouzenko suggest that communist parties elsewhere may be employed for similar purposes.

The steps that were taken, which in my judgment were necessary, even though they were extraordinary, if those who were guilty were to be convicted, were strongly criticized. They were strongly criticized in this house and I could refer to the debates, but I should like to say this. I think my predecessor as minister of justice, the present Secretary of State for External Affairs (Mr. St. Laurent), is to be

complimented upon the courageous and competent way in which he made provision for that extraordinary situation, because we rendered this country a great service by bringing out these facts. No other country did a thing of a similar kind and, as the situation is developing, we have rendered the country and the world a great service by the steps which the Secretary of State for External Affairs took on that occasion.

Mr. GREEN: May I ask the minister a question? Does he consider that the laws of the country as they stand at present are sufficient to enable the government to deal with the menace of communism within Canada?

Mr. ILSLEY: Well, the question as to whether there should be any amendments is a difficult problem. I do not know that I should like to deliver a final judgment on that and give it as a final opinion. If the hon. member has any specific change in mind—

Mr. GREEN: No. I am asking this question. Does the minister consider that our present laws are sufficient to enable us to deal with the situation?

Mr. ILSLEY: I do not know that I should like to answer that question finally. So far as criminal prosecutions are concerned, the sedition sections are the only ones I know about. But communism can be combatted in other ways than by criminal proceedings, and it is a great question as to how far one should go along criminal lines in assessing a man's beliefs and subjecting him to criminal penalties for reasons of that kind.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I feel I must say something about this problem, particularly since I have seconded the motion before the house. I have enjoyed very much the discussion to which I have listened this afternoon. Like the Minister of Justice (Mr. Ilsley), I think perhaps politics might have been left out of it, but that, of course, was begun by the Prime Minister (Mr. Mackenzie King).

My general criticism of the discussion is this. To me it sounded somewhat like a discussion between academicians rather than a discussion by people who have a real problem to deal with at the present time.

Let us take one aspect, and I refer to paragraph (d) of the motion. That is the one dealing with infiltration into labour unions, the effecting of disorganization of peaceful relations, and disorganization of the production of industry both in peace and in the event of war.

How serious is this? I go to the Pacific coast. There we have two large labour organizations, and, practically speaking, only two. They are the people engaged in logging, the people engaged in mill and mine, and the smelter workers. The first one is headed by a man by the name of Pritchett. He frankly admits he is a communist. He is an officer of that organization and of the communist organization. The other is headed by a man named Harvey Murphy. At least, that is the name he goes by. I know him personally; I do not know Mr. Pritchett. So we find there that the chief officers of these two major organizations are avowed communists, and they make no bones at all about it.

I am going to say this about the city in which I live. There we have what is known as the trades and labour council, which is a central body having to do with all labour organizations in that city. On that executive are some splendid men, one named Gordon Cushing, who is secretary and who is also an alderman in the city of Calgary, elected a short time ago. No finer man exists. As vice-president we have a man named Longworth, an avowed communist, his wife being secretary of one of the unions; and the assistant secretary of the trades and labour council, a man named Yore Daniels, admits that he belongs to that organization.

Here in central Canada, take your electrical workers and you will find that the Canadian boss is a man named Jackson, who was interned during the war and released after the attack upon Russia. I want to be realistic about this. I want to make it plain that I am not suggesting for a moment that the individuals in these organizations are, by and large, communists. They are not. But we have these people who have risen to these positions of authority and who, from these positions, are constantly promoting disorganization in industry and will continue to do so unless something stronger is done about the matter than we have done up to the present time.

It is not my business; it is not within my province to tell this government what it should do, but I am going to point out one thing to the Minister of Justice and I am sure he will agree with it. It is this. I suggest that anybody in Canada, if he is a Canadian citizen, who avows a higher loyalty to some other country shall immediately lose that Canadian citizenship, I say, further, with respect to those persons who came from elsewhere and who have now accepted Canadian citizenship, that if they profess a higher loyalty to some country other

than Canada, then—and we have the legislative competence to do this—such persons should not only lose their Canadian citizenship but be deported to the countries from which they came. Let them there carry on their activities, which were largely taught them there.

Everybody who reads knows of a school in Moscow with a constant enrolment, a revolving enrolment of 10,000 people who are being taught today. Today we have in this country men like Buck. His name has been mentioned half a dozen times. He is a revolutionist and nothing else. Yet he is permitted to go around, in the name of freedom of speech. I give way to no one as a supporter of freedom of speech and freedom of assembly. But this country has recently been at war. We then gave up certain privileges of citizenship because it was for the good of the whole body politic, the whole people of this country. I say it is straining the phrase "freedom of speech" to allow people to go around advocating the overthrow of the institutions of this country by other than democratic means. That is not freedom of speech; that is license. I think it is criminal now under the appropriate section of the criminal code with respect to sedition. But if we can strengthen our position in that way, I think we should do so. I realize the difficulty of getting into people's minds, as was pointed out by the Minister of Justice. I appreciate that difficulty fully. But when this thing is going on, as it has been going on, we should be in a position to treat these people for what they are; we should be able to treat them, not as politicians but as criminals; because that is what they are. I go farther and say this. Here we have the communist party now named the Labour Progressive party. They admit that. I am not making any accusations that have not been frankly admitted by these people themselves. I think it is about time that we, whether Social Credit, C.C.F., Liberals or Progressive Conservatives, ceased to regard them as a political party and started to regard them as a subversive outfit of some sort, which is really what they are. There is no question about that.

For example, I have here a letter which to me is offensive in appearance. It is signed by William Kashtan, administrative secretary of the Labour Progressive party. It is dated March 15. I shall not go into its contents to any extent. He wrote to me because I had asked the Secretary of State for External Affairs (Mr. St. Laurent) about the barring of certain people coming into this country every day. He encloses a copy of a letter from Mr. Norman Robertson who is our commissioner in London, which is dated last November and in which he tells Mr. Pollitt that there is nothing in the Immigration Act which can possibly keep him home. I shall not bother about that. But I wish to comment on the nerve of anybody who would have a letterhead like that, with a red top and bottom. That is not accidental. That is the red flag being waved right in our faces. I have not answered that letter; and, needless to say, I do not intend to do so. Where do we go from here?

I agree with all the things that are said to the effect that we must show people that this is a better system than the one which they are being propagandized about. Even these displaced persons who have come over here recently are getting it up in the woods, as the hon. member for Dufferin-Simcoe (Mr. Rowe) has said. We know this is spreading all over. What is the position and what must, it seems to me, be the position of every member of this House of Commons? It is to say to the government in the language which, I think, was so well used by my leader—and I take a little bit of credit for the fact that he showed it to me before we came into the House of Commons—as follows:

> This party is in favour of, and will give its wholehearted support to, the government's taking every step possible within its legislative competence to halt the march of communism in this country.

Surely that must be the attitude of every member in this house; that is, if we believe the danger of communism is real. How many hon. members in this house who went home last week end did not have someone speak to him about this business of communism? I doubt if there is a single man who went home who did not have that brought up to him. It is not enough to say that our country is a democratic country. I think it is. I do not think there is any question about that at all. Perhaps some of us have been failing in not making that sufficiently known. It seems to me that is one job which politicians have in their home constituencies. But we as individuals can never catch up with the lying propaganda which is being circulated. Those who know anything about the laws of libel know that, no matter how many apologies are published in the newspaper, they will never catch up with the libel and, so to speak, write it off. So this thing is going on at the present time. I want to give the Minister of Justice credit for something he said a moment ago. Having been many years ago in the business of prosecuting people of this type, I realize fully that the minister in his position, cannot give us all the facts. To do so, of course, would immediately give warning about certain individuals and perhaps ruin all the efforts

which are now being made by the authorities to keep up with this thing and stamp it out. I realize that fully. But I say our laws should be simplified and made much plainer, so that our mounted police—if that be the body which is used; and I do not know whether or not it is—whoever the enforcement authorities may be, may act accordingly. The laws should be simplified and made much plainer, so that people bearing allegiance to another country may be convicted of that offence and also may be convicted much more simply of propagating this propaganda of which I am speaking.

I have here an editorial which is illuminating. It was in a local paper. I want to assure the members of the C.C.F. party, who no doubt have read it, that I accept in its entirety the statement made by the leader of that party to the effect that he is not permitting and will never permit the communists to associate with his party. I accept that statement in its entirety, but I read this editorial because it is of interest. It is headed "A kiss of death." I shall not read the first part, inasmuch as I obtained this for the purpose of reading a statement made by this man Buck, who said as follows:

> If we want to find a lever to move politics in Canada, then we have to admit that the way to get them into motion is along that channel —the C.C.F.
>
> . . . We are not here proposing a propaganda campaign. We are proposing to elect the C.C.F. and to elect the C.C.F. we will have to do those things which will elect their candidates. There will be plenty of constituencies where they will red-bait, and we will have to just volunteer to canvass for them, be election workers and mobilize that section of the labour movement which is under our leadership; because what we need most of all this year . . . is a C.C.F. victory.
>
> . . . If we elect a C.C.F. government in Ottawa it is quite obvious that the whole perspective for Canada will be changed. Certainly then our road ahead will be through the social democratic regime.
>
> . . . After we have elected a C.C.F. government and are faced with the question of how to work further to develop socialist consciousness in the majority of the working class, we can truly say that the party that did this is a Marxist party, the party of socialist Canada.

I repeat, Mr. Speaker, I am not suggesting that anyone in the C.C.F. has made any such arrangement or has approved anything of the kind.

Mr. THATCHER: We do not want their support at all.

Mr. SMITH (Calgary West): I agree, and I am trying to say just that. I believe every word the hon. member for Rosetown-Biggar (Mr. Coldwell) said in connection with it, and I cannot go farther than that. I read that, however, because I think it was the seventh strategy in Ebon's book, which the Minister of Justice just read. This is not an open thing. The communist party is not seeking great numbers of members. I do not know how many in this house took time, I think it was two years ago, to read what, I believe, is easily the finest thing in short form I have ever read on this question. It was a pamphlet of eight or ten pages written by an economist named Jackson, whom I do not know but who at one time was a professor at the University of Toronto.

Mr. MITCHELL: Gilbert Jackson.

Mr. SMITH (Calgary West): That is the name, but I do not know much about him. He was speaking at a meeting of insurance companies in Chicago, and the subject of his address was, "Let us celebrate the first one hundred years of Karl Marx," which end this year, 1948. He said something which interested me very much; it was that their scheme is not to seek great numbers but to have a hard core of highly disciplined people, along with the hangers on, the fellow travellers and that sort of thing on the outside. That is why, as the Minister of Justice indicated in his quotation from Ebon a moment ago, they first want to get hold of the department of the interior, because in European countries that department usually has charge of the state police.

We saw it happen the other day. The pattern is not new. We have watched it march across western Europe. We have bragged—and I use the word respectfully—about the position we have reached in connection with trade. Speaking in this house last year, the then Minister of Trade and Commerce (Mr. MacKinnon) told us that we were now the third of the big three in international trade. I am sorry the Minister of Justice mentioned these gifts and unpaid loans a moment ago. I do not want to be political, but I remember that the then Minister of Trade and Commerce told us how wonderful our trade was, and then the other day the Minister of Agriculture (Mr. Gardiner) came along and told us we were not going to get paid for it anyway. But we shall leave that out of the picture and let the two ministers reconcile those statements. However, I do say we have achieved a position in world trade, and along with that must go, cannot fail to go, leadership in world affairs.

What is the right thing at the moment? The right thing at this moment is the elections in Italy, which are to take place very soon. When you find His Holiness the Pope for the first time from that high office asking people

to vote a certain way, I for one conclude that things there are very serious indeed when he has broken precedent in that way. Do not misunderstand me; I am glad he made the statement, but things must have come to a pretty sad pass over there. If Italy goes, there go Greece and Turkey, outflanked; and bordering as Italy does on France, what is the situation there? In the northern countries, Sweden and the others, they are worrying today. They see Finland going, and the Scandinavian countries think probably they are next.

My thought is this. Here we have Canada, successful in trade, ever growing, with a happy and contented population. If we could have sent from this Canadian House of Commons a message to those beleaguered countries—because they are beleaguered, just as though rows of swords were around them and cannon were pointing at them—saying, "We will stand by you; we will clean our own house as an example of what may be done in a free, democratic country", then indeed would we have done something real for world stability and world peace.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I do not know how long you will give me, but I think I can take five minutes. My first words are of congratulation to the men who have occupied the position of Minister of Justice of Canada. As I listened to the minister today I felt that the government of this country, as far as legislation and enforcement are concerned, is in fine hands.

Any man who is elected as a member of this house to represent a constituency should have the cure for anything which may tend to destroy our Canadian civilization. I would say that you, Mr. Speaker, give us that cure every day during the prayer, when you say, "They Kingdom come". The reason I do not support communism is that it leaves God out; and any nation or any movement that leaves God out is sure to come to naught. Look at Germany today. Where is she, and why? Because she crucified those who believed in God and drove out those who believed in the Christian faith. I know this is true. I spoke to a young man whom I knew to be a communist, because I think we should speak to them personally. I said, "What church do you go to?" He replied, "I have no use for that —" and I am not going to give it the name he used. He had hold of a little man by the hand. In sheer pity I said to him, "If ever you need a friend, and you will need one before you are through, I hope you will find him in me". Today that young man is in northern Ontario as an organizer for that which the Windsor *Star* is hitting so hard; and I join with the hon. member who commended that newspaper on the work it is trying to do.

Throughout the length and breadth of Canada we have churches, Protestant and Roman Catholic, which have the cure for communism. That cure can be heard any Sunday. Oh, I do not mean by singing hymns, saying prayers, giving in the collection or sermonizing. It is the principle that is practised every day. If that principle is practised every day it will do what the great St. Patrick did for Ireland; it will revolutionize the country and send its missionaries across to convert Scotland into the bargain.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Tomorrow we shall follow the program that had been set for today. First will be the Transitional Measures Act of the Minister of Justice; next, wheat; third, the Minister of Finance dealing with the excise taxes. Possibly tomorrow we might answer the questions that have been passed over today.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, March 18, 1948

The house met at three o'clock.

POSTAL SERVICE

MAIL CONTRACTS—SUPPLEMENTAL PAYMENTS ACT AMENDMENT

Hon. ERNEST BERTRAND (Postmaster General) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Supplemental Payments Act to provide that no supplemental payments shall be authorized under the act after the thirty-first day of March, 1949.

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

Motion agreed to.

HONG KONG

REFERENCE OF DOCUMENTS TO JOINT COMMITTEE ON PRINTING

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the documents tabled on March 10, 1948, relating to the inquiry made pursuant to order in council P.C. 1160, of February 12, 1942, into the dispatch of the Canadian expeditionary force to the crown colony of Hong Kong, be referred to the joint committee on printing for report under standing order 64.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN ARMY

Mr. FULTON:

1. (a) What is the strength presently authorized of the active reserve of the Canadian army? Have there been any amendments or regulations changing this and if so, what is the effect of such amendments? (b) What is the present actual strength of the active reserve of the Canadian army?

2. What is the composition of the active reserve of the Canadian army by units or part units (giving names)?

3. Into what formations are these units or part units organized, giving names (brigades, brigade groups, etc.)?

4. What is the authorized strength of each unit or part unit as above?

5. What is the actual number presently on strength of each unit or part unit as above?

Mr. LAPOINTE: The hon. member has agreed to drop parts 2, 4 and 5 of this question; parts 1 and 3 are answered.

1. (a) 187,865, subject to the total actual strength not exceeding 90,000 for the present; (b) 28,743.

3. 1st infantry division; 3rd infantry division; 4th infantry division; 5th infantry division; 2nd armoured division; 6th armoured division; 20th armoured brigade; 21st armoured brigade; 5th infantry brigade; 6th infantry brigade; 17th infantry brigade; 18th infantry brigade; 1st corps troops; 2nd corps troops. Selected army and home defence troops grouped under the heading "Ancillary Troops".

2, 4 and 5. Dropped.

NEWFOUNDLAND—QUESTION OF ENTRY INTO CONFEDERATION

Mr. CHURCH:

Has the government any further information to give the house on the proposed agreement for the entry of Newfoundland into confederation?

Mr. ST. LAURENT: The hon. member will find a full answer to this question in the papers I tabled on March 11, and in the declaration made by the Prime Minister on the same day, which is reported at pages 2095 and 2096 of *Hansard*.

WHEAT BOARD—EMPLOYEES

Mr. MILLER:

1. What is the number of employees (including members of the board) of the Canadian Wheat board as at December 31, 1947?

2. Is the consolidated revenue charged with payment of the salaries or wages of (a) the board; (b) the board's employees?

3. If not, out of what fund are the same paid?

4. How many employees of the wheat board (including the members of the board) were, as at December 31, 1947, in each of the following wage or salary classes (a) $1,000 to $2,000 per

annum; (b) $2,000 to $3,000 per annum; (c) $3,000 to $4,000 per annum; (d) $4,000 to $5,000 per annum; (e) $5,000 to $6,000 per annum; (f) $6,000 to $7,000 per annum; (g) $7,000 to $8,000 per annum; (h) $8,000 to $9,000 per annum; (i) $9,000 to $10,000 per annum; (j) $10,000 to $15,000 per annum; (k) $15,000 and over?

5. How many part-time employees did the Canadian wheat board employ during the year 1947, and at what remunerations?

Mr. McILRAITH:

1. 676.

2. (a) No. (b) The Department of Trade and Commerce is charged with one-half salary and living allowance of Mr. C. C. Boxer, Washington Representative of the Canadian Wheat Board, through the Department of Trade and Commerce estimates.

3. Salaries of the board and its employees are part of the operating expenses of the board. If the board operations result in a surplus, salaries are paid by the producers, but if board operations result in a deficit the salaries would be be paid by the dominion government.

4. Under $1,000 per annum	103
(a) $1,000 to $2,000 per annum	388
(b) 2,000 to 3,000 per annum	122
(c) 3,000 to 4,000 per annum	26
(d) 4,000 to 5,000 per annum	6
(e) 5,000 to 6,000 per annum	7
(f) 6,000 to 7,000 per annum	2
(g) 7,000 to 8,000 per annum	7
(h) 8,000 to 9,000 per anum	2
(i) 9,000 to 10,000 per annum	1
(j) 10,000 to 15,000 per annum	11
(k) 15,000 and over	1
	676

5. 28 part-time employees at the under-noted remunerations:

$ 660 per annum	2
780 per annum	2
840 per annum	2
900 per annum	4
960 per annum	3
1,080 per annum	8
1,140 per annum	2
1,320 per annum	1
1,380 per annum	3
1,560 per annum	1
	28

WARTIME HOUSING—EAST YORK TOWNSHIP

Mr. McGREGOR:

1. Does the amount of $6,338.91, as shown in sessional paper 38P of July 9, 1947 (question 10), include the cost of services from street line to house for water, sewer and sidewalk for all of the 197 houses built in East York township, county of York, by Wartime Housing Limited?

2. What money has been spent on this project since July 9, 1947?

3. What is the present administrative cost per month on this project?

Mr. McILRAITH:

1. No. In addition to the $16,388.91* there have been additional expenditures of $2,558.58 on account of these items bringing the total cost for all 197 houses to $18,947.49.

2. $24,847.20 made up as follows:

Sewer and water services, etc., as above answer to question No. 1	$ 2,558 58
Grading and landscaping	7,531 34
Building contract	14,757 28
Total	$24,847 20

3. This is one of several projects administered by the Toronto district rental office of Central Mortgage and Housing Corporation. No separate cost accounting system is maintained with respect to administrative costs of individual projects under any one rental office.

*See supplementary return, sessional paper 98C of March 9, 1948. This amount should read $16,388.91, instead of $6,388.91.

POSTAL SERVICE—LOSS IN HANDLING NEWSPAPERS

Mr. NICHOLSON:

What has been the estimated loss for each of the past five years sustained by the Post Office Department as a result of handling newspapers?

Mr. BERTRAND (Laurier): It is not possible to give the estimated loss for each year as during the war years statistics were not taken which would provide the information desired. Based on cost ascertainment figures for the fiscal year ended 31st March 1947, however, it is estimated that the loss sustained by the post office department in handling newspapers and periodicals mailed by publishers is approximately $7,200,000 per annum.

WARTIME HOUSING

Mr. McGREGOR:

1. How many houses have been constructed by Wartime Housing Limited to December 31, 1947?

2. Of these how many are (a) four rooms; (b) five rooms; (c) six rooms; (d) more than six rooms?

3. What was the total cost of all these houses?

4. What was the average overall cost of the (a) four-room houses; (b) five-room houses; (c) six-room houses; (d) more than six-room houses?

5. Did the average overall cost of these houses include the cost of administration?

6. What was the total cost of the administration of Wartime Housing Limited including architects' fees, to December 31, 1947?

Mr. McILRAITH:

1. Number of houses built by Wartime Housing Limited to 31st December, 1947, is 30,841. Houses purchased in the process of land acquisition and which were remodelled for occupancy, 294.

At December 31, 1947, there are under construction or under contract but not completed, 5,354.

2. Of these 30,841 houses completed as of December 31, 1947

(a) four-room houses	17,116
(b) five-room houses	6,370
(c) six-room houses	7,340
(d) over six-room houses	nil
special types built for veterans under special contracts	15
Total	30,841

3. Total cost of all houses completed and under construction to 31st December, 1947, is $123,055,595.49.

4. As building costs vary considerably in different localities and from year to year, no records have been maintained as to average costs of any type of house. Definite costs can be established for any type of house, at any location.

5. If available, average over-all cost would only include charges strictly applicable to construction.

6. The administration of Wartime Housing Limited ceased as at 31st December, 1946. On January 2, 1947, the administration passed to the management of Central Mortgage and Housing Corporation.

At 31st December, 1946, the total cost of administration of all wartime housing properties including operation of houses, staff houses and commissionaries, maintenance, community service, head office expenses, architects' fees, legal expenses and all other expenses was $20,640,569.15.

SUGAR BEETS—PRICE TO CANADIAN PRODUCER

Mr. DIEFENBAKER:

Why does the Canadian sugar beet producer not receive a price equal to that paid on purchases made by the government sugar agency to cane growers in British West Indies, Cuba, Fiji and Santo Domingo?

Mr. BELZILE: The British Ministry of Food acts as agent for the Canadian sugar administration in purchases of cane sugar from abroad. These purchases are made from time to time, in consultation with the Canadian authority, whenever, in the judgment of the buyer, prices are considered to be favourable. While the laid down cost of supplies for delivery in 1948 cannot yet be determined, depending as it does upon such variable factors as shipping costs, the average may exceed the existing ceiling price by a small amount. Since these purchases were made, however, the price of sugar on world markets has declined so that the Canadian ceiling does not depress domestic prices below the prices at which cane sugar could be laid down in Canada at the present time.

POST OFFICE BUILDINGS

Mr. BOIVIN:

1. Has the government of Canada built any new post offices since 1940?

2. Has the said government made any additions to existing post offices?

3. If so, in what localities?

Mr. FOURNIER (Hull):

1, 2 and 3.

New post office buildings built since 1940.

Year	Place
1941	Toronto, Ont., temporary building.
1943	Dawson Creek, B.C., temporary building.
1944	Halifax, N.S., temporary building for fleet mail offices.

Additions made to existing post office buildings since 1940.

1943	Shelburne, N.S.
1943	Ottawa, Ont., Temporary addition to Postal Terminal.
1943	Grande Prairie, Alta.
1946	Montreal, P.Q., Postal Station "S".
1946	Lethbridge, Alta.
1946	Woodstock, Ont.
1946	Sarnia, Ont.
1946	Valleyfield, P.Q.
1946	Leamington, Ont.
1947	Hull, P.Q.
1947	Toronto, Ont., City Delivery Building—Not yet completed.
1947	North Battleford, Sask.
1947	Kamloops, B.C.—Not yet completed.
1947	La Tuque, P.Q.
1947	St. Joseph d'Alma, P.Q.
1947	Lac Megantic, P.Q.—Not yet completed.
1947	St. Boniface, Man.—Not yet completed.

R.C.A.F.—AUTHORIZED AND ACTUAL STRENGTH—AIRFIELDS

Mr. McKAY:

1. What is the (a) authorized strength; (b) actual strength, of the Royal Canadian Air Force?

2. How many airfields are being operated by the R.C.A.F. in Canada at present?

3. How many of the present strength of the R.C.A.F. is (a) flying personnel? (b) ground staff?

Mr. LAPOINTE:

1. (a) 18,221, subject to the total actual strength not exceeding 14,191 for the present.

(b) 11,878, as of March 1, 1948.

2. 31.

3. (a) 1,282, not including armament, photography and aircraft maintenance personnel who may be called upon to fly as crew members.

(b) 10,596 as of 1st March, 1948.

FILM BOARD—CIRCUITS—FILM DISTRIBUTION

Mrs. STRUM:

1. How many national film board circuits in each province of Canada were financed (a) entirely by the national film board; (b) jointly by the national film board and the province or independent agency; (c) entirely by the province or an independent agency, at the close of the calendar years 1946 and 1947?

2. What were the titles and subject matter of the ten films most widely circulated through national film board distribution channels during the period January 1, 1947 to December 31, 1947 and how large an audience did they reach?

Mr. WINTERS:

1.	(a) Entirely NFB		(b) Joint		(c) Independent (Estimated)	
	Dec. 31/46	Dec. 31/47	Dec. 31/46	Dec. 31/47	Dec. 31/46	Dec. 31/47
British Columbia ..	7	8	3	4	1	2
Alberta	6	6	4	4	16	21
Saskatchewan	9	5	3	3	18	18
Manitoba	7	6	3	0	0	0
Ontario	13	11	23	21	2	6
Quebec	14	9	1	1	2	14
New Brunswick ..	5	5	0	4	0	0
Nova Scotia	5	6	0	1	0	0
Prince Edward Is.	1	1	0	1	0	0
	—	—	—	—	—	—
	67	57	37	39	39	61

2. The ten films most widely circulated through National Film Board non-theatrical distribution channels:

Title — Subject Matter — Audience Reached

House I Live In, racial tolerance, 235,173.

White Safari, the Exercise Musk-Ox expedition across the Canadian Arctic, 204,260.

Wind from the West, life in Northern Sweden, 188,340.

Listen to the Prairies, the Manitoba music festival and its place in community cultural life, 182,180.

New North, the Alaska highway and its potentialities for opening Canada's rich northwest, 178,728.

Vegetable Insects, the commoner varieties of garden pests, the damage they do, and measures of control, 172,095.

Life on the Western Marshes, conservation projects to save ducks, geese and other wildlife on the marshes of western Canada, 171,113.

Search Unending, the story of how new oil deposits are discovered and developed in Canada, 162,839.

Bronco Busters, the wild horses of Alberta, and the Calgary stampede, 161,487.

[Mr. McKay.]

West Wind, the beauties of the Canadian wild as seen through the eyes of Tom Thomson, famous Canadian artist of the original group of seven, 149,234.

Theatrical Distribution: The ten films most widely exhibited in Canadian theatres during 1947. The estimated audiences averaged 1,225,000 per film.

Ski Skill, demonstration of skiing techniques by an expert.

Montreal by Night, interpretation of Montreal as a distinctive bilingual metropolis.

One World or None, sets forth basic facts concerning atomic energy and importance of way in which united nations deal with it.

R.C.M.P. file 1365, criminal investigation methods of R.C.M.P. shown through the dramatization of an actual murder case.

River Watch, how the St. Lawrence river is kept open for safe navigation.

What's on Your Mind, today's mental health problems and progress made by Canadian scientists in their treatment.

Tomorrow's Citizens, discusses the education of today's children in the light of problems created by the atomic age.

Mexico Today, interprets modern Mexico for Canadians and indicates Mexican-Canadian trade relations.

Challenge of Housing, surveys present day housing problems and the attempts being made in various countries to solve them.

Careers and Cradles, pictures women's struggle for equality since suffragette days and present success of Canadian women in many fields of endeavour.

PRAIRIE FARM ASSISTANCE—SASKATCHEWAN AND ALBERTA

Mr. McKAY:

1. How many government employees are required to administer the Prairie Farm Assistance Act in (a) Canada; (b) Saskatchewan; (c) Alberta?

2. What have been the administrative costs of the Prairie Farm Assistance Act for each of the years 1945, 1946, 1947?

3. What has been the expenditure under the act in (a) Canada; (b) Saskatchewan; (c) Alberta, in each of the years 1945, 1946, 1947?

Mr. GARDINER:

(The Prairie Farm Assistance Act is applicable only to the three prairie provinces and the Peace River block in British Columbia.)

For 1947-48:

1. (a) 411; (b) 249; (c) 117.

2. 1945-46 (fiscal year), $357,529.94; 1946-47 (fiscal year) $332,494.91; 1947-48 (April 1/47-Feb. 24/48) $422,552.46.

3. 1945-46 (fiscal year) (a) $16,840,852.80; (b) $12,485,454.75; (c) $4,184,532.66.

1946-47 (fiscal year) (a) $11,249,859.55; (b) $9,388,135.25; (c) $1,839,288.59.

1947-48 (April 1/47 to Feb. 24/48) (a) $14,908,126.96; (b) $12,433,829.75; (c) $2,056,-815.81.

A. V. ROE CANADA LIMITED—GRANTS OR SUBSIDIES

Mr. MacINNIS:

1. Does the A. V. Roe, Canada Limited receive a money grant or subsidy from the federal government?

2. If so, for what purpose?

3. In determining the amount of the grant or subsidy, was any amount included for wage increases?

4. In making the grant, did the government stipulate that there would be no wage increases at A. V. Roe, Canada Limited this year?

Mr. McILRAITH:

1. No; however, by the terms of an agreement entered into in accordance with order in council P.C. 4436, dated October 31, 1947, the government agreed to contribute toward the cost of design, development and construction of two prototype model C-102 (jet) transport aircraft. Upon completion by A. V. Roe Canada Limited of the two prototype aircraft, the government may take delivery thereof upon payment to the contractor of all reasonable and proper costs incurred in such construction, in excess of contributions made.

2. See 1 above.

3. No. Contributions are made on the basis of a percentage of the company's overall expenditures on the project.

4. The company's labour costs under the contract are governed by labour conditions attached to and forming part thereof, which stipulate that the contractor shall pay "such wages as are generally accepted as current from time to time during the continuance of the contract for competent workmen in the district".

INCOME TAX—NATIONAL CHARITIES DEDUCTIBLE

Mr. DIEFENBAKER:

What major national charities are considered as deductible from income for income tax purposes?

Mr. WINTERS: There is no master list presently available of the numerous charitable organizations in Canada. Each income tax district has its own which is constantly changing since some of the organizations recognized are purely temporary. It is practically impossible to compile or keep up to date a list of the charitable organizations to which donations are deductible under the terms and provisions of subsections (1)(j) and (1)(jj) of section (5) of the Income War Tax Act. The following national organizations appear amongst the major charities recognized under this section:

1. Canadian Red Cross Society.
2. Canadian Paraplegic Association.
3. The Canadian Legion of the British Empire Service League.
4. Canadian Appeal for Children; United Nations Appeal for Children.
5. War Amputations of Canada.
6. Canadian National Institute for the Blind.
7. Victorian Order of Nurses.
8. Canadian Tuberculosis Association.
9. Salvation Army.
10. Boy Scouts Association.

Religious institutions, public hospitals, schools and universities.

It might be stated that in general exemptions extend and apply to all donations made to organizations in Canada whose sole objects and purposes are the relief of poverty or the advancement of religion or education.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE
DOCTORS

Mr. HERRIDGE:

1. How many doctors are employed in the Department of National Health and Welfare?
2. What are their names and when was each appointed?
3. Where did each of them reside at time of appointment?
4. Are all of them licensed under the Canadian Medical Association?
5. Are all of such doctors Canadian or British subjects by birth?
6. If not (a) what is the country of their origin; (b) how long has each of them been in Canada; (c) how many have become Canadian citizens, and when?

Mr. MAYBANK:

1. 112 full-time doctors; 90 part-time doctors.

2 and 3.

Name	Date of Appointment	Residence on Appointment

Coddington, Dr. R. D., 24-2-47, Ocean Falls, B.C.

Clough-Ormiston, Dr. M. W., 25-5-47, Mount Vernon Hospital, Northwood, England.

Claman, Dr. B., 7-10-47, 278 Glenwood Crescent, Winnipeg, Man.

Chataway, Dr. H. H., 24-11-47, 285 Beresford Avenue, Toronto, Ontario.

Cannon, Dr. H. E., 1-11-38, Abbotsford, B.C.

Campbell, Dr. D. R., 17-11-46, 1817 Yonge St., Toronto, Ontario.

Cairns, Dr. J. W., 1-1-27, Pipestone, Manitoba.

Brown, Dr. J. F. L., 1-1-23, Woodstock, N.B.

Brokovski, Dr. T. W., 1-2-47, Box 420, Brandon, Man.

Bridgman, Dr. M. C., 1-10-43, Oliver, B.C.

Bell, Dr. G. L., 1-2-42, Sioux Lookout, Ontario.

Beaulieu, Dr. G., 21-4-38, Seven Islands, P.Q.

Barclay, Dr. W. S., 24-7-41, Saskatoon Sanatorium, Saskatoon, Sask.

Ball, Dr. J. R., 15-10-46, Chapleau, Ontario.

Archibald, Dr. B. C., 1-11-47, Bridgewater, Nova Scotia.

Creighton, Dr. H. A., Feb. 1928, Lunenburg, Nova Scotia.

Cram, Dr. E. J., 1-8-47, Stonewall, Manitoba.

Couture, Dr. E., 9-10-37, 161 Laurier Avenue East, Ottawa, Ontario.

Couillard, Dr. J. A., 1-2-46, LaPatrie, Compton County, Quebec.

Couillard, Dr. J. M., 20-8-28, 2 Avenue du Pont Scott, Quebec, P.Q.

Conran, Dr. H. W., 8-1-47, Sydenham, Ont.

Cock, Dr. J. L., 17-10-27, 55 Cobourg Road, Halifax, Nova Scotia.

[Mr. Winters.]

Chretien, Dr. J. D., 1-1-46, 50 Casot Street, Quebec, P.Q.

Charron, Dr. K. C., 7-1-48, 189 Metcalfe St., Ottawa, Ontario.

Caron, Dr. M., 1-6-47, St. Paul de Chester, County Arthabaska, Quebec.

Cantin, Dr. A., 6-4-40, 547 St. Cyrille Street, Quebec, P.Q.

Burton, Dr. G. V., 21-4-40, Yarmouth, N.S.

Burke, Dr. F. S., 1-3-29, 235 Springfield Road, Rockcliffe, Ontario.

Bundock, Dr. J. B., 9-2-47, St. Luke's Hospital, 1058 St. Denis Street, Montreal, P.Q.

Bulmer, Dr. H. R., 7-11-46, 59 King George's Road, Toronto, Ontario.

Brown, Dr. H. K., 1-3-47, 189 Metcalfe Street, Ottawa, Ontario.

Brown, Dr. C. P., 20-1-20, 73 Marlowe Crescent, Ottawa, Ontario.

Beaulieu, Dr. E., 1-9-36, 228 Second St., Port Alfred, P.Q.

Audet, Dr. G., 17-10-27, 118 Dalhousie Street, Quebec, P.Q.

Armstrong, Dr. C. W. J., 18-8-47, 424 Queen Street, Ottawa, Ontario.

Ansley, Dr. H. A., 23-5-46, The Cedars, Bowesville Road, Billings Bridge, Ottawa, Ont.

Allen, Dr. R. H., 1-2-43, 345D Elgin Street, Ottawa, Ontario.

Aeberli, Dr. H. N., 8-2-47, 257 Kingswood Road, Toronto, Ontario.

Grove, Dr. J. H., 12-5-47, 190 Belmont Ave., Ottawa, Ontario.

Griffith, Dr. L. A., 23-1-48, 59 Cook Street, Victoria, British Columbia.

Gregson, Dr. W. E., 1-1-47, 190 Lisgar Street, Ottawa, Ontario.

Gregoire, Dr. G., 1-11-47, 846 St. Vallier St., Quebec, P.Q.

Girard, Dr. J. A., 2-1-48, 555 3rd Avenue Quebec, P.Q.

Gauthier, Dr. J. D., 14-7-39, Shippegan, N.B.

Frost, Dr. W. H., 30-11-40, 19 Spadina Road, Toronto, Ontario.

Fortier, Dr. G., 15-6-37, Gaspé, P.Q.

Fiset, Dr. P. E. deV., 1-6-39, 518 St. Cyrille Street, Quebec, P.Q.

Ferguson, Dr. C. G., 31-12-46, 17 Edgewood Avenue, Toronto, Ontario.

Lyon, Dr. E. J., 25-5-19, Prince George, B.C.

Lewis, Dr. H. W., 8-9-31, 385 Holland Ave., Ottawa, Ontario.

Leroux, Dr. G. W., 1-10-44, Fernie, B.C.

Leroux, Dr. O., 17-2-47, Prince Rupert, B.C.

Kelley, Dr. H. E., 1-2-31, Middleton, N.S.

Jones, Dr. N. H., 1-8-39, Port Alberni, B.C.

Isman, Dr. G. B., 1-8-26, Sintaluta, Sask.

Inglis, Dr. A. M., 1-8-47, Gibson's Landing, British Columbia.

Henderson, Dr. W. E., 1-1-28, Chilliwack, B.C.
Head, Dr. P. W. C., 1-6-19, Battleford, Sask.
Harvey, Dr. J. P., 1-7-38, Fort Resolution, N.W.T.
Harper, Dr. B. H., 23-9-47, South Porcupine, Ontario.
Hamman, Dr. H. A., 1-8-24, Ft. Vermilion, Alta.
Grigg, Dr. V. S., 19-11-46, Thessalon, Ontario.
Greig, Dr. C. H., 1-2-47, 255 Pim St., Sault Ste. Marie, Ontario.
Green, Dr. F. W., 1-4-13, Cranbrook, B.C.
Gray, Dr. T. W., 1-2-37, 1064 Beverley Place, Victoria, B.C.
Gillis, Dr. A. F., 1-8-31, Merritt, B.C.
Gillie, Dr. J. C., 21-3-14, Fort William, Ont.
Gastle, Dr. H. E., 1-8-47, Lakefield, Ont.
Galbraith, Dr. J. D., 1-9-41, Kamloops, B.C.
Ferguson, Dr. A. D., 1-11-13, Kenora, Ontario.
Falconer, Dr. W. L., 1-4-43, 422 Tweedsmuir Avenue, Ottawa, Ontario.
Ewert, Dr. W., 12-1-48, 811 Rochester Road, New Westminster, B.C.
Edwards, Dr. H. L., 1-11-34, Birtle, Man.
Dunham, Dr. B. T., 1-5-46, Lytton, B.C.
Duncan, Dr. B. P., 1-9-46, Dawson, Yukon Territory.
Duncan, Dr. A. C., 1-1-37, Dawson, Yukon Territory.
Digout, Dr. J. H., 23-20-25, St. Peter's, N.S.
Densmore, Dr. L., 8-4-38, Bathurst, N.B.
Denholm, Dr. K. A., 1-6-35, Parry Sound, Ontario.
David, Dr. W., 3-1-25, Oshweken, Ont.
Darby, Dr. G. E., 1-8-14, Bella Bella, B.C.
Corrigan, Dr. R. S. C., 1-9-39, God's Lake, Manitoba.
Murray, Dr. D. K., 15-6-46, P.O. Box 359, Liverpool, N.S.
Meech, Dr. L. R., 1-3-23, North Sydney, N.S.
Martin, Dr. H. J., 12-10-34, Sydney Mines, N.S.
Marlatt, Dr. C. R., 1-1-25, Grief Point, B.C.
Lynch, Dr. M. G., 31-12-46, 379 Ste. Catherine Rd., Montreal, P.Q.
Layton, Dr. B. D., 2-3-46, 409 McKay St., Ottawa, Ont.
Laurin, Dr. C. H., 1-6-47, 176 Bougainville St., Quebec, P.Q.
LaSalle, Dr. M. J. M., 26-9-47, 1253 McGill College St., Montreal, P.Q.
Laroche, Dr. A. G., 2-9-47, 148 Carling Ave., Ottawa, Ont.
Labrecque, Dr. J. E., 1-11-47, Ancienne Lorette, P.Q.
Jenkins, Dr. R. B., 31-12-38, 10540-126th St., Edmonton, Alta.
Jeffs, Dr. H. B., 1-4-20, 12 Cumberland Road, London, Eng.
Hutton, Dr. D. V., 7-1-46, 363 Waverley St., Ottawa, Ont.
Hogan, Dr. F., 1-3-46, 1049 Nelson St., Vancouver, B.C.
Hoffman, Dr. O., 14-4-47, 198 Brant Avenue, Brantford, Ont.
Herbin, Dr. C. A., 1-1-34, Lockeport, N.S.
Helem, Dr. G. B., 1-5-45, Port Alberni, B.C.
Harris, Dr. G. S., 18-10-41, 43 Harvard St., Halifax, N.S.
McQuay, Dr. R. B., 16-5-35, Mindemoya, Ontario.
McIntyre, Dr. W. H., 1-3-29, Mission City, B.C.
McFadyen, Dr. O. J., 13-8-47, P.O. Building, Prince Albert, Sask.
McCrimmon, Dr. J. R., 1-9-45, Brocket, Alberta.
McCormack, Dr. C. W., 1-3-47, Renfrew, Ontario.
McCaffery, Dr. H. M., 19-5-47, Brooks, Alta.
Cameron, Dr. G. D. W., 7-9-39, R.R. No. 1, Downsview, Ont.
Pett, Dr. L. B., 12-11-41, 585 O'Connor St., Ottawa, Ont.
MacLellan, Dr. D. F., 1-1-40, New Glasgow, N.S.
MacLean, Dr. A. C., 15-1-40, New Richmond, P.Q.
MacKay, Dr. M., 16-1-39, 12 Victoria Avenue, Transcona, Man.
MacIntosh, Dr. A. F., 16-7-36, Andover, N.B.
MacDonald, Dr. J. A., 1-3-47, Prince Rupert, B.C.
Lyons, Dr. O. O., 9-8-32, Powell River, B.C.
Egan, Dr. W., 12-12-47, 91 Dean Street, London, England.
Dupuis, Dr. Y., 24-6-47, St. Hyacinthe, P.Q.
Douglas, Dr. H. T., 1-4-39, 226 MacLaren St., Ottawa, Ont.
Dougall, Dr. R. P. I., 23-1-48, Petrolia, Ontario.
Donkin, Dr. C. A., 1-2-36, Bridgewater, N.S.
Dickie, Dr. W. R, 31-8-14, Digby, N.S.
DeKoven, Dr. M. J., 21-5-41, 262 Barrington St., Halifax, N.S.
Davey, Dr. E. L., 1-2-47, 23 Linden Terrace Ottawa, Ontario.
Peloquin, Dr. J. B., 27-11-23, 49 Monumen St., Giffard, P.Q.
Peart, Dr. A. F. W., 2-1-48, Westboro, Ont
Parney, Dr. F. S., 1-5-24, Laurentian Club, Albert St., Ottawa, Ont.
McKay, Dr W. W., 1-11-26, Aylmer Road, Hull, P.Q.
McEwen, Dr. B. B., 15-4-47, Box 433, Napanee, Ont.
MacPhee, Dr. A. C., 21-1-48, King Edward Hotel, Toronto, Ont.

MacKenzie, Dr. W. J., 17-5-39, 925 West Georgia St., Vancouver, B.C.

MacIntosh, Dr. J. W, 30-11-39, 30 Cobourg Road, Halifax, N.S.

MacGregor, Dr. S. A., 3-47-47, 53 Mason Boulevard, Toronto, Ont.

MacAuley, Dr. M. J., 14-5-42, 78 Wentworth St., Sydney, N.S.

Yule, Dr. R. F., 2-12-41, The Pas, Manitoba.

Young, Dr. D. B., 1-7-36, Emo, Ontario.

Young, Dr. C. R., 1-3-20, Little Current, Ontario.

Wright, Dr. H. S., 1-12-39, 492 George St., Fredericton, N.B.

Wood, Dr. W. J., 1-1-47, 354 Borebank St., Winnipeg, Manitoba.

Withrow, Dr. R. R., 19-6-25, Springhill, N.S.

Windsor, Dr. F. E., 1-7-29, Gleichen, Alta.

Williamson, Dr. F. M., 1-12-44, R.R. No. 5, Wiarton, Ontario.

Williams, Dr. W. O., 24-10-47, Maitland, Ontario.

Wiebe, Dr. J. H., 1-1-47, Muncey, Ontario.

Tyerman, Dr. H. F, 15-5-43, Ashcroft, B.C.

Tucker, Dr. J. B., 25-8-47, Shellbrook, Sask.

Truesdell, Dr. W. A. M., 1-7-26, Isolation Hospital, Ottawa, Ontario.

Tripp, Dr. A. J., 1-10-44, Box No. 438, Fernie, B.C.

Terrence, Dr. T. L., 1-3-47, 31 Peter St., Orillia, Ontario.

Tennant, Dr. P. S., 1-10-29, Kamloops, B.C.

Tanner, Dr. G. E, 1-7-41, Midland, Ontario.

Strain, Dr. F. A., 15-2-27, Gore Bay, Ontario.

Stone, Dr. E. L., 20-10-22, Norway House, Manitoba.

Soper, Dr. G. M., 1-5-41, Thamesville, Ont.

Simpson, Dr. R. N., 1-6-39, Manitowaning, Ontario.

Simes, Dr. A. B., 1-2-29, Abernethy, Sask.

Saindon, Dr. D., 5-3-25, Riviere du Loup Centre, P.Q.

Riopel, Dr. J. H., 1-7-38, Legal, Alberta.

Riddell, Dr. W. G., 1-9-45, Dryden, Ontario.

Riddell, Dr. L. H., 19-1-44, Selkirk, Manitoba.

Purdie, Dr. F. K., 1-1-26, Griswold, Manitoba.

Procter, Dr. H. A., 1-1-47, 46B Geneva St., Ottawa, Ont.

Powell, Dr. W. C., 1-4-47, Hagersville, Ont.

Potvin, Dr. V., 14-9-40, 61 St. Joseph St., La Tuque, P.Q.

Poth, Dr. F. J., 1-3-47, Libau, Manitoba.

[Mr. Maybank.]

Pinault, Dr. J. E. H., 15-3-28, Roberval, P.Q.

Palmer, Dr. H. I., 1-12-46, 17 Church St., Brantford, Ontario.

Paine, Dr. G. C., 1-2-39, Incola Hotel, Penticton, B.C.

Osborne, Dr. J. C., 1-8-46, 58 Stranmillis Avenue, St. Vital, Manitoba.

Orford, Dr. T. J., 1-4-41, Moose Factory, Ont.

O'Donnell, Dr. J. E., 16-8-36, Fort Frances, Ontario.

Myers, Dr. V., 12-11-47, 11465 St. Albert Trail, Edmonton, Alberta.

Myers, Dr. H. A., 19-11-47, 11465 St. Albert Trail, Edmonton, Alberta.

Murray, Dr. W. B., 15-7-33, Morley, Alta.

Murray, Dr. J. V., 1-8-43, Greston, B.C.

Mulvihill, Dr. L. J., 26-4-47, Little Current, Ontario.

Morrow, Dr. J. M., 1-1-39, Fort Smith, Northwest Territories.

Morrissey, Dr. R. H., 1-11-31, Newcastle, New Brunswick.

Moreach, Dr. R. A., 16-11-43, Berwick, N.S.

Moore, Dr. P. E., 1-9-31, 130 MacLaren St., Ottawa, Ontario.

Moody, Dr. J. P., 15-7-46, R.R. No. 2, Wainfleet, Ontario.

Meltzer, Dr. H., 8-12-45, 668 Bannatyne Avenue, Winnipeg, Manitoba.

Willoughby, Dr. J. B., 20-9-47, 16 Regent St., Ottawa, Ontario.

Weissgerber, Dr. L. A., 23-1-48, 604 Main St., North Bay, Ontario.

Watkinson, Dr. E. A., 12-8-46, 202 Second Avenue, Ottawa, Ontario.

Walker, Dr. W. P., 1-7-09, William Head, British Columbia.

Valens, Dr. W. L., 1-8-47, 11 Madawaska Drive, Ottawa, Ontario.

Thompson, Dr. R. D., 9-12-37, 3366 Cook St., Victoria, British Columbia.

Sutherland, Dr. R. H. 1-12-30, Pictou, N.S.

Sullivan, Dr. B. C., 11-10-41, 5 Cloverdale Road, Halifax, Nova Scotia.

Stogdill, Dr. C. G., 17-12-45, 594 Driveway, Ottawa, Ontario.

Sparks, Dr. G. L., 23-3-42, White Rock, British Columbia.

Shankel, Dr. F. R., 1-11-22, Windsor, N.B.

Saint Martin, Dr. J., 1-8-47, 19 Levis Ave., Quebec, Province of Quebec.

Robidoux, Dr. J. W., 1-3-36, 103 George St., Sorel, Province of Quebec.

Robichaud, Dr. A., 21-8-35, Tracadie, N.B.

Robertson, Dr. H. A., 29-8-46, 7 Kinnerton Studios, London, England.

Reid, Dr. H. D., 6-10-28, 98 Lancaster Ave., Saint John, New Brunswick.

Ratz, Dr. R. G., 4-12-45, 222 Somerset St., Ottawa, Ontario.

Kenning, Dr. G. C., 1-10-43, 3455 Upper Terrace, Victoria, British Columbia.

4. The Canadian Medical Association is not a licensing body. Membership in it is entirely voluntary.

5. No; of the 202 doctors mentioned in Answers 1 to 4 above 198 are Canadian or British subjects by birth. Details regarding the remaining 4 are given in Answer 6 below.

6.

Name and Residence on Appointment	Date Appointed	(a) Country of Origin	(b) Length of Residence in Canada	(c) Date Naturalized
Hamel, Dr. A. M., Shawinigan Falls, P.Q.	12-2-41	U.S.A.	29 years	16-3-39
Shklov, Dr. N., Vernon, B.C.	1-7-47	Manchuria	32 years	1916
Matas, Dr. M., 10947-80th Ave., Edmonton, Alta.	1-5-46	Russia	32 years	11-7-10
*Sadowski, Dr. S., 6 Abinger Road, London W.1, England	31-7-47	Poland	none	Polish national

*NOTE: Dr. Sadowski's employment has been certified by the civil service commission as a temporary measure until such time as sufficient medical officers are recruited and sent overseas.

TWENTY-FIFTH ANNIVERSARY OF THE MARRIAGE OF THEIR MAJESTIES

Mr. CHURCH:

1. Will the government give consideration to passing a resolution of both houses of parliament and a presentation, congratulating the king and queen on the attainment of their silver anniversary on the twenty-fifth year of their marriage, on April 26 next?

2. Will a proclamation be issued as to it by the government asking for some notice of it throughout Canada?

Mr. MACKENZIE KING: Both these matters are receiving consideration.

HEALTH EDUCATION CONFERENCE

Mr. GOURD (Chapleau):

1. On what date or dates was the last health education conference held in Ottawa, and by whom was it convened?

2. Will other conferences be held?

Mr. MAYBANK:

1. The second dominion-provincial health education conference was held in Ottawa on March 3-5, 1948. It was convened by the Minister of National Health and Welfare on the recommendation of the Dominion Council of Health.

2. The Dominion Council of Health has recommended that such conferences be held annually.

FRENCH CANADIANS IN THE CIVIL SERVICE

Mr. GAGNON:

1. Since 1945, has the government entrusted some members of this house with an inquiry into the position of French Canadians in the civil service, both as to their number and their rank?

2. If so, what are the names of the said members?

3. Has a report of their activities been submitted to the government?

4. If not, for what reason?

5. If so, when will such report be published?

Mr. MACKENZIE KING:

1. Yes.

2. Honourable Joseph Jean.

3. Oral reports to cabinet from time to time.

4. See No. 3.

5. No decision taken by the cabinet yet.

NARCOTIC DRUGS—PROSECUTIONS

Mr. NIXON:

How many narcotic cases, under the jurisdiction of the Department of National Health and Welfare are now before the Canadian courts?

Mr. MAYBANK: There are usually about sixty to seventy narcotic cases before the Canadian courts. Many of these go to assizes or for speedy trial before a county court judge. A considerable number reach the courts of appeal and on occasion one or two go to the

Supreme Court of Canada. One especially valuable privilege accorded the division of narcotic control by the Department of Justice is that narcotic cases at Halifax, Montreal, Toronto, Winnipeg, Calgary, Edmonton and Vancouver are conducted by specially authorized senior counsel. In order that they may be completely familiar with all aspects of the narcotic work such counsel are kept fully advised by the division of narcotic control of changing conditions, new regulations, etc.

WAR ASSETS—MEDICAL EQUIPMENT AND SUPPLIES

Mr. FRASER:

1. Has the war assets corporation any medical equipment, or medical supplies, stored in Canada?

2. If so (a) are these supplies and equipment to be offered to the profession; (b) where are these supplies and equipment stored; (c) what is the value of same?

Mr. McILRAITH:

1. Yes.

2. (a) No, medical equipment and supplies are not offered to the profession but are offered through the medical supplies and equipment trade channels.

(b) In varying amounts in practically all War Assets Corporation warehouses in Canada.

(c) The value of this medical equipment or supplies is indeterminate, inasmuch as it is disposed of on a bid basis.

INCOME TAX—FARMERS

Mr. BENTLEY:

1. By provinces how many farmers filed income tax returns in the years 1945, 1946 and 1947?

2. By provinces, how many farmers paid income tax in the years 1945, 1946 and 1947?

3. By provinces, what were the total amounts of income taxes paid by farmers?

4. By provinces, how many farmers were investigated by officers of the income tax division?

Mr. WINTERS:

1. Province	Fiscal years 1944-45	1945-46	1946-47
Prince Edward Island	489	624	1,322
Nova Scotia	369	422	497
New Brunswick	103	276	401
Quebec	800	6,689	19,830
Ontario	28,896	21,967	28,909
Manitoba	25,964	27,400	31,742
Saskatchewan	32,872	49,895	46,616
Alberta	10,051	22,554	74,675
British Columbia	5,044	6,212	6,759
Total	104,588	136,039	210,751

2. No information, as the taxation division does not maintain records of tax collections by occupational classifications.

3. Answered by No. 2.

4. No information.

POLISH ART TREASURES

Mr. GAGNON:

1. (a) How many visits have been made by the Royal Canadian Mounted Police to the Hotel Dieu, in the city of Quebec, with regard to the Polish art treasures; (b) on what dates were such visits made?

2. (a) How many telephone calls were made by the same organization to the authorities of the Quebec Hotel Dieu in connection with such treasures; (b) on what dates were such telephone calls made?

3. After the Royal Canadian Mounted Police had been informed that the Quebec Hotel Dieu was no longer in possession of the Polish art treasures, what steps were taken by the said police to verify this fact?

[Mr. Maybank.]

Mr. ILSLEY:

1. (a) Six.

(b) January 29, 1948, 2; January 30, 1948, 1; February 16, 1948, 1; February 25, 1948, 1; February 26, 1948, 1.

2. (a) One;

(b) January 29, 1948.

3. Upon receipt of this information the Royal Canadian Mounted Police verified it by interviews with the Mother Superior of l'hotel Dieu and the Provincial Archivist.

IMMIGRATION—CHILDREN OF CHINESE DOMICILED IN CANADA

Mr. SHAW:

Are foster children of Chinese Canadians domiciled in Canada, regarded as admissible persons under the Immigration Act?

Mr. McILRAITH: No.

HEALTH AND WELFARE—LABORATORY OF HYGIENE

Mr. BLACK (Chateauguay-Huntingdon):

Is there any duplication of work carried out by the laboratory of hygiene as compared with the work carried out by provincial public health laboratories?

Mr. MAYBANK: No. The laboratory of hygiene provides special service to the provincial laboratories. The provincial laboratories conduct certain routine diagnostic tests on specimens which, though primarily a responsibility of the federal government, would be difficult if not impossible to ship to the laboratory of hygiene.

RAILWAY FREIGHT RATES—ONTARIO AND QUEBEC

Mr. BOIVIN:

1. What are the freight rates on the Canadian National and Canadian Pacific Railways, between Ottawa and Toronto, Ottawa and Quebec, Ottawa and Timiskaming, Ottawa and Muskoka?

2. What is the distance, in miles, between Ottawa and the four other cities on each of these railways, respectively?

Mr. CHEVRIER:

1. Freight rates are basically governed by the Canadian freight classification which assigns all commodities into ten classes. The present rates applicable to each class are as follows:

Between Ottawa and	Classes in Cents per 100 lbs.									
	1	2	3	4	5	6	7	8	9	10
Toronto	75½	66½	58	47	37½	34½	30½	30½	—	27½
Quebec	79	70½	59½	50	40	36½	30½	32	—	27½
Timiskaming	90	79	68	55½	45½	41½	34½	36½	—	30½
Muskoka (Gravenhurst)	79	70½	59½	50	40	36½	30½	32	—	27½

2.

Official Freight Mileage, C.N.R., C.P.R.

Ottawa—Toronto, 247, 256; Quebec, 268, 268; Timiskaming, — 199; Muskoka (Gravenhurst), 263, —.

HEALTH AND WELFARE—CHILDREN AND MOTHERS —FILMS FOR EDUCATIONAL PURPOSES

Mr. STUART (Charlotte):

What films, or film strips, have been released for educational work and for child and maternal health in the Department of National Health and Welfare?

Mr. MAYBANK: The following health education films and filmstrips, having a bearing on child and maternal health, have been prepared for the Department of National Health and Welfare by the national film board of Canada:

Films:

"Mother and Her Child"—based on the book "The Canadian Mother and Child" covers both the prenatal and postnatal phases and the care and development of the child up to one year of age.

"Know Your Baby"—illustrates proved methods of psychological care of the new-born infant.

"The Feeling of Rejection"—the first of a proposed series of films on mental mechanisms, designed to illustrate the development of personality factors which often lead to emotional difficulties and physical distress.

"Small Fry"—illustrates the provisions being made for the welfare of Canada's children, pointing out improvements in education, diet and environment.

"Something to Chew On"—a film for parents showing the correct method of caring for children's teeth.

"Stanley Takes a Trip"—shows in entertaining cartoon fashion the foods required by a normal growing boy.

Filmstrips:

"Nine to Get Ready"—covers the essential points in prenatal care to ensure the best possible start in life for babies.

"Introducing Baby"—gives detailed information on the care of mother and child from the time the baby is born until the weaning period.

"Internal Triangle"—a cartoon filmstrip describing the adventures of two teen-age girls with Canada's food rules.

"Peppo"—demonstrates how a family can spend the family allowance wisely to provide healthy diet essential to growing children.

"Rural School Lunches"—a filmstrip providing practical suggestions for the use of teachers and mothers of rural school children.

In addition the following films and filmstrips are being completed and will be released shortly:

"Invisible Armour"—a film on immunization —which will show the general principles of immunization and the need for proper protection in the first year and pre-school age, and will point out the responsibility of the individual in protecting not only his own family but the community as a whole;

A film on feeding problems, for parents of pre-school children;

"Why We Eat"—a series of filmstrips, which will cover the general aspects of nutrition and deal specifically with each one of the food groups—vegetables, milk, fruits, cereals and bread, and meats.

VETERANS AFFAIRS—DEPUTY AND ASSISTANT DEPUTY MINISTER

Mr. COYLE:

1. Have any appointments been made since January 1, 1947, to the position of deputy minister or assistant deputy minister of Veterans Affairs?

2. If so, what are the names of such persons?

3. At what salaries were such persons appointed?

4. By whom were they appointed?

5. What previous positions in government services had each such person held?

6. Was any examination of their qualifications made?

7. If so, who were the examining or rating officers?

Mr. GREGG:

1. Yes. One assistant deputy minister.

2. Jean Maurice Bernier, B.A., LL.L.

3. $7,500 per annum.

4. Civil service commission.

5. (a) Assistant private secretary to the Minister of Justice; (b) Advisory counsel, Department of Justice (appointed by civil service commission); (c) Private secretary to the Minister of Justice; (d) Private secretary to Secretary of State for External Affairs (while holding permanent position of advisory counsel, Department of Justice).

6. Yes.

7. Rating officers: Departmental representative, W. S. Woods, C.M.G., LL.D., deputy minister; technical representative, Lieut.-Col. G. Bisson, chairman, unemployment insurance commission; civil service commission representative, O. A. Lefebvre.

DEPARTMENT OF VETERANS AFFAIRS—ALLOWANCES TO WIDOWS AND NON-PENSIONED VETERANS

Mr. HANSELL:

1. Has the government considered increasing present allowances to widows and non-pensioned veterans?

2. If so, what is the scale of increase?

Mr. GREGG:

1 and 2. Assuming that the questions relate to widows of non-pensioned veterans, a resolution on the order paper in the name of the Minister of Veterans Affairs deals with the subject matter.

[Mr. Maybank.]

FEDERAL DISTRICT COMMISSION

Mr. HENDERSON:

1. What are the names of the members of the federal district commission?

2. When and upon whose recomendation was each such person appointed?

3. What remuneration or expenses was paid in 1947 to each such person?

Mr. MACKENZIE KING:

1. and 2.

Names Date of Appointment

F. E. Bronson, May 4, 1927; reappointed July 31, 1947.

Raymond Brunet, September 25, 1946.

Charles Camsell, July 31, 1947.

R. Chevrier, November 28, 1924; reappointed July 31, 1947.

J. A. Ewart, May 2, 1938.

J. E. Stanley Lewis, January 8, 1936.

D. K. MacTavish, May 2, 1938.

A. J. Major, April 18, 1946.

J. B. Spencer, October 18, 1934.

J. W. Ste. Marie, May 4, 1927; reappointed July 31, 1947.

Mr. Lewis and Mr. Brunet were appointed by by-laws of the cities of Ottawa and Hull respectively. The remainder were appointed by order in council passed on the recommendation of the Minister of Finance (under the Federal District Commission Act, 1927) or the President of the Privy Council (since the amendment to the Act passed in 1946.)

3. None.

IMMIGRATION—POLISH WAR VETERANS

Mr. BRADSHAW:

1. How many single Polish veterans were admitted to Canada under order in council P.C. 1746?

2. Of these, how many were placed on farms?

3. How many of these are still working on farms?

4. Have any other orders in council been passed admitting more Polish war veterans?

5. If so, how many were admitted under these orders in council?

Mr. COTE (Verdun):

1. 1,651.

2. 1,650.

3. 1,617.

4. Yes, order in council P.C. 3112, dated July 23, 1946.

5. 2,876 in November, 1946.

BEEF AND PORK PRODUCTS—SHIPMENTS TO BRITAIN

Mr. BENTLEY:

1. How many grades of beef are being sent to Britain?

2. Are there more pounds of (a) higher grades; (b) lower grades?

3. What are the prices Britain is paying for the various grades?

4. How many grades and kinds of pork products are being sent to Britain?

5. What are the prices Britain is paying for the various kinds or grades?

6. What kinds and grades of pork products are being supplied to the Canadian market?

7. By grades and kinds, at what prices are pork products supplied to Canadian retailers?

Mr. GARDINER:

1. Seven.

2. Exports of beef by grade, 1947:

	Bone-In (lb.)	Boneless (lb.)
A	590,292	87,352
B	1,987,012	127,758
C	7,539.897	3,429,567
D	14,761,044	2,110,702
E	120,384	1,805,541
P	.....	2,544,433
M	.....	706,270

Exports of beef by grade, January 1, 1948 to date:

	Bone-In (lb.)	Boneless (lb.)
A	185,353	463
B	129,586	.....
C	318,867	25,987
D	1,384,601	30,844
E	10,854	125,813
P	.....	82,942
M	.....	4,990

3.

	Per 100 lb.
A	$27.50
B	26.50
C	23.10
D	21.20
E, P	Fronts $22.50 per 100 lb.
M	Hinds $24.00 per 100 lb.

4. Two grades of Wiltshire sides, and export cuts i.e., fores, middles, backs, hams and gammons.

5.

	Per 100 lb.
Wiltshires "A"	$36.00
Wiltshires "B"	35.40
Hams A/C 10-18	37.90
Hams A/C 18-22	36.30
Gammons 10-18	37.90
Gammons 18-22	36.30
Middles Regular	38.65
Middles N.A.A.F.I.	39.30
Rib Backs	41.35
Square Fores 10/20	29.60
Square Fores 20/22	28.45

6. All kinds and grades.

7. No information.

VETERANS LAND ACT—PIAPOT INDIAN RESERVATION

Mr. DIEFENBAKER:

1. Has the soldier settlement board or the V.L.A. administration, during the last three years, purchased any land formerly comprising part of the Piapot Indian reservation in Saskatchewan?

2. If so, how many acres and what price per acre was paid therefor?

3. Has any of said land been re-sold to soldier settlers or others? If so, at what price per acre for each parcel?

Mr. GREGG:

1. Yes. Veterans Land Act Administration.

2.

Parcel	Acres	Price	or approx. per acre
1	320	$2,800	$ 8.75
2	317	3,700	11.67
3	320	4,500	14.06
4	320	3,000	9.37½
5	320	2,500	7.81
6	318·20	3,500	11.00
7	316·46	4,000	12.64

3. Yes, to qualified veterans. Same as purchase price, but subject to the conditional grant provided for in The Veterans Land Act, 1942.

CANNED FISH—CANNERY REGISTRATION NUMBERS

Mr. McLURE:

1. Are the cannery registration numbers embossed on Atlantic coast fish solely for identification purposes?

2. If not, what is the purpose of embossing canned covers on canned fish?

3. If these numbers are for identification purposes, are they made known to the trade?

4. If these numbers are not available to the trade, for what reason are they withheld?

Mr. MacKINNON:

1. Yes.

2. Answered by No. 1.

3. No.

4. The registration and identification thereof is a confidential departmental record to facilitate administration of the regulations.

CRUMLIN AIRPORT HANGAR

Mr. MANROSS:

1. When will government be through with hangar No. 5 at Crumlin airport?

2. Is it for sale to industry?

Mr. LAPOINTE:

1. This hangar is being retained indefinitely by the Royal Canadian Air Force.

2. No.

CENTRAL EXPERIMENTAL FARM—SALARIES OF DIVISIONAL CHIEFS

Mr. CASE:

What is the salary range for divisional chiefs at the central experimental farm, indicating the division in each case?

Mr. GARDINER:

	Salary Range $
Cereal Division:	
Agricultural Scientist, Grade 9	5,400-6,000
Horticulture Division:	
Agricultural Scientist, Grade 9	5,400-6,000
Field Husbandry Division:	
Agricultural Scientist, Grade 8	4,800-5,400
Forage Plants Division:	
Agricultural Scientist, Grade 8	4,800-5,400
Poultry Division:	
Agricultural Scientist, Grade 8	4,800-5,400
Animal Husbandry Division:	
Agricultural Scientist, Grade 6*	3,900-4,500
Tobacco Division:	
Agricultural Scientist, Grade 5*	3,600-4,200
Fibre Division:	
Agricultural Scientist, Grade 5*	3,600-4,200
Bee Division:	
Agricultural Scientist, Grade 5*	3,600-4,200
Illustration Stations Division:	
Chief Supervisor of Illustration Stations*	3,900-4,500

*Under process of revision by civil service commission.

H.M.C.S. "PREVOST"

Mr. MANROSS:

1. How many men are stationed at the H.M.C.S. *Prevost* in London, Ontario, now?
2. What rent is paid annually for the building?
3. What is the average annual upkeep and maintenance cost for the past five years?
4. Who owns the property?
5. Is it for sale?

Mr. LAPOINTE:

1. R.C.N. personnel—13 maintenance and training staff for naval reserve unit.
2. None.
3. $7,903.
4. Department of Public Works.
5. No.

POST OFFICE—LONDON, ONT.

Mr. MANROSS:

1. What was total number of employees of Post Office Department in London, Ontario, in each year 1941, 1942, 1943, 1944, 1945, 1946 and 1947?
2. What was total payroll in each of these years?

[Mr. Lapointe.]

3. Who are the top ten executives and what is the salary of each?
4. What is the total number of employees now?

Mr. BERTRAND (Laurier):

1. As of 31st March: 1941, 287; 1942, 286; 1943, 287; 1944, 306; 1945, 328; 1946, 329; 1947, 344.

2. 1941, $515,981.84; 1942, $541,116.65; 1943, $557,011.92; 1944, $597,143.91; 1945, $624,883.81; 1946, $707,384.17; 1947, $766,043.79.

3. J. W. Stewart, district post office inspector, $4,200; W. E. Pearson, postmaster, $4,200; A. B. Callahan, postal supervisor, grade 7, $3,720; B. S. Merrifield, post office inspector, $3,720; A. W. Poole, post office inspector, $3,240; J. A. Flaherty, postal supervisor, grade 5, $3,000; W. R. Henderson, postal supervisor, grade 4, $2,880; W. H. Smith, postal supervisor, grade 3, $2,940; H. T. Chowen, postal supervisor, grade 3, $2,940; E. H. A. Arnott, postal supervisor, grade 3, $2,580.

4. 371.

CATTLE AND MEAT PRODUCTS—EXPORTS TO THE UNITED STATES

Mr. HANSELL:

1. How many head of cattle were exported to the United States for each of the years 1945, 1946 and 1947?
2. How many tons of beef, pork and other meat products other than canned meats were exported to the United States for each of these years?
3. What was the total value of canned meat products exported to the United States in each of these years?

Mr. McILRAITH:

1. Cattle exported to the United States: 1945, 70,658; 1946, 96,356; 1947, 74,481.

2. Meat exported to the United States: Beef and veal, fresh, chilled and frozen (tons)—1945, 33; 1946, 5; 1947, 44. Poultry, dressed or undressed (tons), 1945, 5,207; 1946, nil; 1947, 623. Other meats (except canned) (tons), 1945, 172; 1946, 61; 1947, 31.

3. Value of canned meats exported to United States: 1945, $301,080; 1946, $5,114; 1947, $8,068.

POULTRY, MEAT AND MEAT PRODUCTS—EXPORTS TO THE UNITED STATES

Mr. ARGUE:

1. What quantities of (a) poultry; (b) meat; (c) meat products, were exported in natural and processed form to the United States in 1947?
2. What was the value of each?

Mr. McILRAITH:

1 and 2.

(a) Poultry, 1,246,127 lbs., $398,690.

(b) Beef and veal, fresh, 88,300 lbs., $17,065; mutton and lamb, fresh, 200 lbs., $50; pork, fresh, 9,000 lbs., $2,141; bacon and hams, 8,100 lbs., $2,895; pork, pickled, 400 lbs., $80.

(c) Extract of beef, 45,193 lbs., $30,894; sausage and bologna, 23,900 lbs., $21,887; edible animal entrails, 6,300 lbs., $717; canned meats, 4,865 lbs., $8,068.

FEDERAL LIGHTHOUSE KEEPERS IN NEWFOUNDLAND

Mr. DORION:

1. Has the government control over any lighthouse keepers on the territory of Newfoundland?

2. If so (a) where; (b) what are their names; (c) their salaries; (d) their respective nationalities; (e) are they appointed by the civil service commission?

Mr. CHEVRIER:

1. Yes.

2. As follows:

(a) Location	(b) Name	(c) Salary	(d) Nationality	(e) Appointed by C.S.C.
Belle Isle, S.W.	Davis, F. A.	$3,720	Newfoundlander	Yes
Belle Isle, N.	Roberts, F. B.	3,420	"	"
Cape Anguille	Patry, J. L.	3,300	"	"
Cape Bault	Fontaine, E. P.	3,300	"	"
Cape Norman	Campbell, J. S.	3,240	"	"
Cape Rade	Myrick, J. M.	2,100	"	"
Cape Rade	Myrick, J. J.	1,620	"	"
Cape Rade	Myrick, P. J.	1,800	"	"
Cape Ray	Osborne, H. D.	3,240	Canadian	"
Ferolle Point	Beaudoin, J. A.	2,880	"	"
Flower Island	Lavallee, E.	1,980	Newfoundlander	"
Point Rich	Breton, J. N. G.	1,980	Canadian	"

RÉMIGNY-GUÉRIN, QUEBEC, MAIL SERVICE

Mr. CAOUETTE:

1. By whom are mails carried between Rémigny and Guérin in the county of Pontiac?

2. What is the remuneration of the person carrying the said mails?

3. How long has he been a contractor for such work?

4. When will the present contract expire?

Mr. BERTRAND (Laurier):

1. Joseph Bourassa.

2. $855 per annum, plus mail contract supplement of $42.75 per annum.

3. Twelve years.

4. 31st March, 1948.

CIGARS—IMPORTS FROM CUBA

Mr. PROBE:

What was the total quantity and value of cigars imported into Canada from Cuba during (a) the year 1947; (b) November, 1947; (c) December, 1947; (d) January, 1948; (e) February, 1948?

Mr. McILRAITH:

(a) Calendar year, 1947, 3,424 lbs., $32,518.

(b) November, 1947, 824 lbs., $7,858.

(c) December, 1947, 232 lbs., $2,361.

(d) January, 1948, 753 lbs., $6,625.

(e) February, 1948, not yet available.

CANNED PINEAPPLE—IMPORTS FROM CUBA

Mr. KNOWLES:

What was the total quantity and value of canned pineapple imported into Canada from Cuba during (a) the year 1939; (b) the year 1947; (c) November, 1947; (d) December, 1947; (e) January, 1948; (f) February, 1948?

Mr. McILRAITH:

	Lb.	Value
(a) Calendar year 1939..	—	$ —
(b) Calendar year 1947...	1,099,200	126,561
(c) November 1947	—	—
(d) December 1947	2,800	294
(e) January 1948	—	—
(f) February 1948	not yet available.	

HEALTH AND WELFARE—CIVIL SERVICE HEALTH DIVISION

Mr. BRUNELLE:

1. What are the objects of the civil service health division, Department of National Health and Welfare?

2. To what extent have such objects been carried out in the development of the said division, up to the present?

Mr. MAYBANK:

1. The prevention and control of disease among government employees; the provision of an advisory and diagnostic service to individual employees as well as to government

departments; and the provision of emergency medical and surgical care.

2. In so far as the civil service population of Ottawa is concerned the division is now organized and equipped by virtue of its health centre and health units to carry out the three primary objectives referred to in answer 1 above. Pending the establishment of branch centres in cities where large concentrations of civil servants are employed, these objectives have not as yet been achieved.

OLD AGE PENSIONS

Mr. ARGUE:

1. What was the average number of old age pensions, by provinces, for each of the years 1943 to 1947 inclusive?

2. What was the total amount paid to old age pensioners, based on joint contributions from the federal and provincial governments, in each province for each of the years 1943 to 1947 inclusive?

Mr. MAYBANK:

1.	1942-43	1943-44	1944-45	1945-46	1946-47
Alberta	11,094	11,079	11,249	11,832	12,574
British Columbia	14,345	14,420	14,988	16,052	17,522
Manitoba	12,677	12,362	12,286	12,640	13,341
New Brunswick	11,858	11,859	12,134	12,533	13,145
Nova Scotia	14,222	14,042	13,954	14,456	15,226
Ontario	58,345	56,488	57,408	59,313	63,735
Prince Edward Island	1,920	1,891	1,889	1,939	2,075
Quebec	47,292	47,099	48,626	50,462	53,450
Saskatchewan	13,248	12,918	12,810	13,134	14,066

2.	1942-43	1943-44	1944-45	1945-46	1946-47
Alberta	$ 2,444,765.07	$ 2,750,394.71	$ 3,201,848.27	$ 3,368,286.19	$ 3,599,233.36
British Columbia	3,255,093.12	3,719,682.05	4,313,730.29	4,646,927.72	5,022,384.50
Manitoba	2,789,569.91	3,038,528.20	3,453,416.47	3,577,403.84	3,768,331.17
New Brunswick	2,141,870.53	2,310,227.31	3,187,970.40	3,331,828.42	3,532,026.13
Nova Scotia	2,597,433.06	2,849,655.57	3,743,853.77	3,885,296.42	4,124,272.06
Ontario	12,842,300.04	13,745,605.52	16,386,637.23	17,505,419.88	18,514,226.30
P. E. Island	278,116.41	358,005.46	415,443.73	429,900.52	467,744.17
Quebec	9,398,513.78	11,380,483.75	13,848,152.90	14,431,126.93	15,289,253.70
Saskatchewan	2,724,032.73	3,136,243.17	3,726,420.28	3,870,639.85	4,113,398.58

HEALTH AND WELFARE—VENEREAL DISEASE CONTROL

Mr. BRADETTE:

What steps have been taken by the venereal disease control division, Department of National Health and Welfare, to assist provinces in educating the public?

Mr. MAYBANK:

1. Early in 1947 the federal division of venereal disease control purchased 22 automatic filmstrip projectors at a cost of approximately $75 each. These were distributed to the provinces for display purposes. A general venereal disease educational filmstrip titled: "Protection Against V.D." was prepared in both English and French by the division and distributed among the provinces for use in the projectors. At present, two further filmstrips, one on syphilis and one on gonorrhoea, are in process of preparation. These are being designed along general public educational lines and will be in colour.

[Mr. Maybank.]

2. A booklet (3,000 copies) dealing with the use of "Bal" as an anti-arsenical drug was prepared and distributed to the members of the medical profession.

3. 15,000 blotters titled: "Break the Chain of Infection" were produced for distribution among members of the medical profession. This blotter stressed the importance of reporting contacts.

4. 10,000 reprints of an article in *Maclean's* magazine by Michael Gardiner titled: "Our shameful V.D. record" were purchased and distributed to the provinces.

5. 5,000 reprints of an article in the *Canadian Home Journal* by H. Cecil Rhodes titled: "What's the score on V.D.?" were purchased and distributed to the provinces.

6. 10,000 reprints of the article in the *Nursing Journal* by Pearl Stiver titled, "They, too, are our patients", were purchased and distributed.

7. The venereal disease platform presentation chart, for use by lecturers, was produced

and distributed to the provinces. Nearly a thousand of these were printed, in both English and French, durably bound, each consisting of 30 individual coloured charts, 18″ x 30″.

8. Now being printed is a 65-page book titled: "Venereal disease—what you should know" which will have a dual function. It will serve as a guide for those using the V.D. platform presentation charts, and will be used as a comprehensive informational brochure for general lay education on the subject of V.D. The book carries a reproduction of the 30 charts on the lefthand pages with explanatory textual material on the opposite page. The initial printing order is for 12,000 English and 3,000 French copies.

9. Now being printed is a series of six blotters dealing with various aspects of venereal disease educational material for lay distribution. These blotters are multicoloured and artistically designed to convey information with pictorial effectiveness. Each is aimed at a specific group: e.g., those contemplating marriage, teen-agers, expectant mothers, etc. The initial order is for 300,000 to be distributed to the provinces for use in their venereal disease control program.

10. Approximately 6,000 venereal disease posters, for public display purposes, have been distributed to the provinces. These stress the importance of early treatment and pre-natal tests, warn against promiscuity, point out the dangers of neglect, etc.

11. Miscellaneous pieces of venereal disease literature running into many thousands of copies (in addition to the particular projects listed above) were distributed through the department's information services division.

12. Many thousand textbooks, pamphlets, etc. were obtained for the provinces directly from publishers by the federal division of venereal disease control.

Note 1: The above covers 1947 only. Two films "16 to 22" and "Very Dangerous" were adapted for general distribution in 1946.

Note 2: Most of the material produced for the provinces is sent out stamped with the provincial V.D. control department imprints, advising the public where they may obtain further information and advice.

PROVINCE OF QUEBEC ACT RESPECTING COMMUNISTIC PROPAGANDA

Mr. BENTLEY:

1. Has the government taken any action towards submitting the Quebec padlock law to the Supreme Court of Canada?

2. If not, will some action be taken in the near future?

Mr. ILSLEY:

1. No action has been taken by the government towards submitting to the Supreme Court of Canada the "Act respecting Communistic Propaganda" enacted by the legislature of Quebec in 1937.

2. No action is contemplated at this time.

BLINDNESS—RESTORATION OF SIGHT BY MEDICAL METHODS

Mr. TREMBLAY:

1. To what extent can the Department of National Health and Welfare control blindness?

2. Is the said department taking any steps to inform the public that medical methods can restore adequate sight to a considerable number of blind persons?

Mr. MAYBANK:

1. Under the British North America Act responsibility in health matters is mainly that of the provincial and local governments, with the exception of the care of members of the armed services, veterans (under certain circumstances), Indians and Eskimos, immigrants upon their first arrival in Canada, and lepers. The Department of National Health and Welfare does not issue regulations designed to control and prevent blindness and the department cannot at present control blindness except by means of an educational campaign designed to inform the public of the causes and treatment of blindness and the medical means which can be taken to control and prevent blindness.

2. The department informs the public by radio, by films and by various publications of methods to be used in the prevention and treatment of eye trouble and blindness.

The blindness control division has prepared two booklets, "Save Your Eyes" and "Eyestrain, its cause and treatment". These are being widely distributed through the provinces in French and English. The blindness control division shared in the cost of two educational films concerning the eyes. These are being shown on the national film board circuits and they have attracted large and appreciative audiences. The latest film had been seen by 121,629 persons by September, 1947. The blindness control division also supplied the minister with medical information which he incorporated in a radio address given on September 13, 1947, entitled "Clear vision for Canadians".

The blindness control division is engaged in research into the causes of blindness and its prevention and in the preparation of further publications of general interest to the public on eye conditions. A booklet is now in

course of preparation, for free distribution, on the subject of preventable blindness.

The blindness control division is keeping in touch with the methods used in the control and treatment of blindness in other countries.

Funds have been voted by the dominion government to be used on a 75-25 per cent basis, in agreement with the provinces, to conduct a treatment scheme to determine whether an appreciable number of blind can be removed from the pension rolls by operation and medical treatment. This project has been endorsed twice by the deputy ministers of health as members of the dominion council of health. To date only the province of New Brunswick has passed an order in council providing for participation in this scheme, although lists of suitable cases are in the hands of the other provincial authorities.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ST. MALO PLANT, QUEBEC

Mr. DORION:

1. From 1942 to 1946 inclusive, what department of the government of Canada had jurisdiction and control over the St. Malo plant, at Quebec?
2. From what department did the employees of the said plant receive their remuneration?
3. By whom and in what manner have the salaries or wages paid to such employees been determined?
4. During each of the above years, what was the scale of salaries or wages for each class of employees, and particularly for caretakers or constables?

Mr. McILRAITH: Return tabled.

DEPARTMENT OF TRANSPORT—STAFF AT PRESCOTT AND PARRY SOUND

Mr. MacINNIS:

1. How many persons are employed by the Department of Transport at Prescott, Ontario?
2. What are the classifications, hourly wages or monthly salaries in each case?
3. How many persons are employed by the Department of Transport at Parry Sound, Ontario?
4. What are the classifications, hourly wages or monthly salaries in each case?

Mr. CHEVRIER: Return tabled.

OBSERVANCE OF GOOD FRIDAY

Mr. CHURCH:

1. What provision has been made by the government for the proper observance of Good Friday, March 26 next?
2. What is the program of the C.B.C. and government radio stations for such a day as this, and what is their policy to be accordingly?

Mr. GIBSON (Hamilton West): Return tabled.

[Mr. Maybank.]

TORONTO HARBOUR COMMISSION

Mr. CHURCH:

1. What sums of money have been voted for Toronto harbour, by years from 1935 to 1947 inclusive?
2. What moneys do the Toronto harbour commission spend there (a) federal money; (b) civic (harbour) money?

BARLEY

Mr. ZAPLITNY:

1. In the year 1947, how many bushels of barley were shipped from western Canada to the eastern provinces on which freight from the lakehead east was paid by the Canadian government?
2. How many bushels of this quantity were malting barley?
3. How many bushels of this malting barley were received by breweries in eastern Canada?
4. Was the freight on this barley paid by the government from the lakehead east?

DOLLAR-A-YEAR MEN EMPLOYED DURING THE WAR

Mr. HANSELL:

How many dollar-a-year men were employed by the government during the war years and how many of these men were paid their salaries of $1 per year as such irrespective of expenses in carrying out their duties?

DEPARTMENT OF EXTERNAL AFFAIRS

Mr. DANIEL:

1. How many divisions are there of the Department of External Affairs?
2. What are the responsibilities and functions of each such division?
3. Who is the chief of each such division?
4. What is the salary of each such chief?
5. How many employees are there in each such division?
6. What is the total annual payroll of each such division?

Mr. HARRIS (Grey-Bruce): Return tabled.

CIVIL SERVICE—APPOINTMENTS WITHOUT EXAMINATION—SALARY INCREASES

Mr. DORION:

1. How many civil servants were appointed by order in council during the year 1947, without being compelled to pass a civil service examination?
2. How many civil servants have been given a salary increase by order in council during the year 1947?
3. How many of such employees are being paid a remuneration of (a) more than $10,000 a year; (b) $8,000 to $10,000 a year; (c) $6,000 to $8,000 a year; (d) $4,000 to $6,000 a year; (e) $2,000 to $4,000 a year; (f) of less than $2,000 a year?

SUBSIDIES, SUBVENTIONS AND DRAWBACKS

Mr. ARGUE:

1. On what commodities and services were subsidies, subventions, or drawbacks, paid in 1947?

2. What was the value of each?

3. What companies, if any, received payments in excess of $50,000, and what amount was paid to each of those companies?

LOSSES IN MARKETING OF WHEAT—FREIGHT ASSISTANCE ON GRAIN

Mr. WINKLER:

1. By years, since 1935, what losses incurred in marketing of wheat have been paid out of the federal treasury?

2. By years, since 1935, what amount has been paid in freight assistance on grain in Canada?

CARBERRY, MAN., AIRPORT

Mr. LENNARD:

1. Are there any goods stored at the airport at Carberry, Manitoba?

2. If so, what goods and what amount?

3. Have any of such been declared surplus?

4. If not, when will they be so declared?

Mr. GIBSON (Hamilton West): Return tabled.

MOTIONS FOR PAPERS

MINISTERS OF THE CROWN—TRAVELLING EXPENSES

Mr. HODGSON:

For a statement showing the total amount of travelling expenses paid to each minister of the crown, his private secretary, assistant private secretary or any official attached to the personal staff of such minister during the fiscal years ended March 31, 1946 and 1947?

IMMIGRATION—REFUGEE DOCTORS

Mr. SHAW:

For a copy of all correspondence, telegrams, and other documents exchanged between the immigration branch, Department of Mines and Resources, and any official thereof, and the Canadian medical association, medical licensing bodies, or any official thereof, since January 1, 1945, respecting (a) the admission to Canada of refugee doctors; (b) certification of refugee doctors who enter Canada under classification other than medical?

INCOME TAX

FARMERS—NET WORTH PORTION OF RETURN

On the orders of the day:

Mr. J. W. BURTON (Humboldt): I should like to ask a question of the Minister of National Revenue. Has he recently received a communication from the United Farmers of Canada, Saskatchewan section, protesting the net worth statement of the new income tax form? If so, what is the intention of the department in connection with this objectionable feature?

Hon. J. J. McCANN (Minister of National Revenue): At the moment I have no knowledge of having received a communication. As I said a day or two ago, a statement will be issued shortly with reference to the new income tax form.

WESTERN EUROPEAN UNION

INQUIRY AS TO PARTICIPATION OF CANADA, UNITED STATES, BRITISH COMMONWEALTH AND OTHER NATIONS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, in view of the statement made at the opening of the session yesterday by the Prime Minister relating to the treaty of mutual guarantee which was signed yesterday morning at Brussels, and which had to do with the governments of the United Kingdom, France, Belgium, the Netherlands and Luxembourg, is the Prime Minister at liberty to inform the house whether it is intended to extend the regional agreement to take in Canada, the United States, the British commonwealth, and other nations whose relationships are friendly?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have no authoritative information that I can give to the house.

RAILWAYS

ACCIDENTS RESULTING FROM MOUNTAIN SLIDES NEAR KAMLOOPS, BRITISH COLUMBIA

On the orders of the day:

Mr. E. D. FULTON (Kamloops): I should like to direct a question to the Minister of Transport, notice of which I sent to him. Is the minister in a position to make a statement on investigations into the railway accidents which have recently occurred near Kamloops, B. C., and can he make a report as to what steps are being taken and what additional safety devices, if any, are being installed to reduce the danger of such accidents in future?

Hon. LIONEL CHEVRIER (Minister of Transport): The hon. gentleman refers, I take it, to accidents on railways caused by mountain slides in British Columbia in the vicinity of Kamloops during the past year—on the Canadian Pacific Railway near Chase, on the Canadian National Railways near Ashcroft, and also on the Canadian National Railways below Lytton.

The question is divided into two parts. First, what steps are being taken to install safety devices? The board of transport commissioners have under study the question of safety devices commonly known as "slide

detector fences", with a view to ascertaining their practicability and efficiency. The director of engineering of the board is now in western Canada making further study of this problem. One of the railways has installed a short section of slide detector fence near Field, British Columbia, as a test.

The second part of the question is, are any available. The answer is given in the following terms. The equipment used in installations of this kind is equipment commonly used in railway signal protection. This equipment is available. There is no standard slide detector fence. The physical features of the ground at each location must be separately considered and a design made to meet each situation.

ANSWER TO QUESTION AS TO REFRIGERATOR CARS ON TRACK AT BORDEN

On the orders of the day:

Hon. LIONEL CHEVRIER (Minister of Transport): Perhaps I might answer a question which was asked on Monday by the hon. member for Kings (Mr. Grant). I have had the answer in my hand for two days but have not had an opportunity of giving it to the house. The question had to do with empty refrigerator cars which apparently were at Borden without motive power for their use. I find that on Tuesday the 16th—the report is dated that day—there were seventy-five refrigerator cars on hand at Borden which would be moved on that day. The general situation on Prince Edward Island is very good at the moment, as there is a total of 258 refrigerator cars on the island either being loaded or awaiting placement.

UNITED KINGDOM

QUESTION AS TO REDUCTION OF PURCHASES FROM NON-DOLLAR COUNTRIES

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): I wish to ask a question of the Minister of Finance, of which I gave him oral notice. It is based on an item in the *Globe and Mail* of this date, dated from London, Canadian Press, and the headline is: "Ask slash in United Kingdom buying from Canada." I read very briefly from the text:

Britain's purchases from non-dollar countries must be increased and her present rate of spending—

Some hon. MEMBERS: Order.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I simply wish to indicate the basis on which the question is being asked.

Some hon. MEMBERS: Order.

[Mr. Chevrier.]

Mr. MACDONNELL (Muskoka-Ontario): My question is this—

Mr. SPEAKER: I must ask the hon. member to abide by the rules.

Mr. MACDONNELL (Muskoka-Ontario): My question is this: Is this reference to the cutting down of British spending in Canada not a serious threat to a vital part of Canada's foreign trade? If so, what steps is the government taking to meet it?

Hon. DOUGLAS ABBOTT (Minister of Finance): I saw the Canadian Press dispatch referred to, appearing in the Montreal *Gazette*, and reporting a statement which appears to have been made by Mr. Strachey in a press conference in London yesterday. Replying to my hon. friend's question, as he knows, Great Britain is purchasing quantities of foodstuffs from Canada under contract, and I have no reason to believe that these contracts will not be carried out.

Mr. MACDONNELL (Muskoka-Ontario): I should like to ask the Minister of Finance a supplementary question. Am I correct in thinking that the contracts to which he referred in his answer expire at the end of this month? If so, will he not agree that his answer was not an answer but a brushoff?

Mr. ABBOTT: My hon. friend is inaccurate in his understanding of the contracts. They do not expire at the end of this month.

FINANCIAL ARRANGEMENTS FOR PURCHASE OF AGRICULTURAL PRODUCTS

On the orders of the day:

Mr. H. R. ARGUE (Wood Mountain): Mr. Speaker, I wish to ask a question of the Prime Minister. In view of the reports in last night's press that the United Kingdom last week drew the final $9,000,000 of its $45,000,000 Canadian credit, will the Prime Minister indicate whether new financial arrangements are being made for the purchase of agricultural products for the balance of this month and for the next quarter?

Hon. DOUGLAS ABBOTT (Minister of Finance): The Prime Minister has asked me to answer the question. No new financial arrangements have been made. I have already answered the second part of the question in stating, in reply to the hon. member for Muskoka-Ontario, that I had no reason to believe the United Kingdom will not carry out contracts which it has entered into for the purchase of food in this country. Concerning financial arrangements, it might be appropriate for me to indicate that Canada has extended already financial assistance greater than that of any other country to assist in the purchase of needed foodstuffs.

BEEF CATTLE—EMBARGO ON EXPORTS TO THE UNITED STATES

On the orders of the day:

Hon. W. EARL ROWE (Dufferin-Simcoe): I should like to ask a question of the Minister of Agriculture. In view of the statement appearing in the press this morning to the effect that Great Britain is likely to curtail exports from other than soft currency countries, will the minister consider lifting the embargo on beef cattle going into the United States?

Right Hon. J. G. GARDINER (Minister of Agriculture): The Minister of Finance has already answered the first part of the question twice in the negative, so I do not think that it would be possible to answer the second part, basing the answer on the first part of the statement.

Mr. ROWE: In other words, a negative policy.

RADIO BROADCASTING

INTERFERENCE BY ELECTROTHERAPEUTIC EQUIPMENT

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): May I direct a question to the Minister of Trade and Commerce? Has the government given consideration to the request of the Canadian hospital council for a change in the regulations respecting radio interference by electrotherapeutic equipment, for the reasons so well put on March 2 by the hon. member for Lanark (Mr. Blair)? If so, what is the result of such consideration?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I received notice of this question just as I was coming into the house. I have not had time to obtain the answer, but I will give it tomorrow.

WHEAT BOARD ACT

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND PROVINCIAL PREMIERS

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I wish to direct a question to the Minister of Trade and Commerce. Will the minister table the correspondence between the government and the provincial premiers regarding Bill No. 135, to amend the Canadian Wheat Board Act, and particularly the questionnaire from the government of the province of Manitoba with respect to legislation on this matter?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): It has been the practice of this government not to table correspondence with a provincial government except with the permission of the provincial government duly obtained. I am sorry to say that the Saskatchewan government does not seem to follow that practice, since hon. gentlemen opposite have read to me a considerable file of correspondence released by the government of Saskatchewan. Notwithstanding that, the practice of the federal government will be continued.

Mr. COLDWELL: May I ask a supplementary question? Will the minister endeavour to secure permission from the provinces to table the correspondence?

Mr. HOWE: I received one letter from the Premier of Manitoba this morning. I noticed it in going through my mail. I have not had time to read that letter as yet. I assume that the letter calls for a reply, and I may say that after the correspondence is completed, I will ask the Premier of Manitoba, as a matter of courtesy, whether he wishes me to table the correspondence.

Mr. COLDWELL: That is good.

CATTLE

TUBERCULOSIS TESTING—SHORTAGE OF STAFF IN HEALTH OF ANIMALS BRANCH

On the orders of the day:

Mr. J. A. CHARLTON (Brant): In view of the present serious situation with regard to tuberculosis testing of cattle throughout Canada, brought about by a serious shortage of personnel in the health of animals branch, is the government taking adequate steps to remedy this situation?

Right Hon. J. G. GARDINER (Minister of Agriculture): I thought I was conferring a favour on my hon. friend when I suggested the other day discussing the question with him and the deputy. I have not yet had the opportunity of meeting the two of them.

HOUSING

REPRESENTATIONS OF CANADIAN FEDERATION OF MAYORS AND MUNICIPALITIES

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I wish to address a question to the Minister of Reconstruction and Supply. Has the minister acted on the proposal submitted to him at his request by the Canadian federation of mayors and municipalities on September 19, 1947, entitled "Outline for national low rent housing legislation"? If so, has a meeting been held of dominion-provincial and municipal authorities?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): A brief was submitted by mayors in September, at which time I met with their delegation. The brief contains a proposal for a public housing program under which the dominion would advance to provinces or municipalities the full cost of construction at 2⅞ per cent for thirty-five years. It also proposes that the dominion establish a national rent reduction fund so that rents can be lowered to a non-economic level. Like so many representations we receive, the proposal is that the dominion bear the whole cost, that the provinces and municipalities have no financial interest, but that the projects be owned and operated by a municipal housing authority or the municipality itself. Such a proposal does not appeal to me, and I cannot support it.

The brief suggests investigation into types and use of building materials, with which we are in sympathy, and work is proceeding.

The brief concludes by suggesting 100 per cent loans up to $5,000 at 3½ per cent under the terms of the National Housing Act with a guarantee to the lending institution of 25 per cent of the amount of the loan. I question whether the lending institutions would make National Housing Act loans at a 3½ per cent rate. Furthermore, I am against promoting home ownership unless the home owner has an equity.

The hon. member asks whether there has been a meeting with the provinces and municipalities. The answer is, no.

COMMUNIST PAPER "COMBAT"

INQUIRY WITH RESPECT TO DISTRIBUTION IN PROVINCE OF QUEBEC

On the orders of the day:

Hon. W. EARL ROWE (Dufferin-Simcoe): In view of the fact that the communist paper *Combat* has been prohibited and banned in the province of Quebec, can the Minister of Justice say whether any steps have been taken to prevent its distribution in Quebec from its printing establishment in the city of Toronto?

Right Hon. J. L. ILSLEY (Minister of Justice): Not by the dominion government, no.

NATIONAL DEFENCE

DECOMMISSIONING OF CRUISER "UGANDA"

On the orders of the day:

Mr. G. R. PEARKES (Nanaimo): I wish to address a question to the Minister of National Defence, notice of which I have given to him. Has the cruiser H.M.C.S. *Uganda* been placed with the reserve fleet because there are insufficient men available to man her as a unit with the active force?

Hon. BROOKE CLAXTON (Minister of National Defence): It was never the intention to keep both H.M.C.S. *Uganda* and H.M.C.S. *Ontario* in commission under the present authorized ceiling. The decommissioning of the cruiser H.M.C.S. *Uganda* was made according to plans announced by me in the house on June 9, 1947, in reply to a question asked by the then hon. member for Yale. She was decommissioned at the end of July of that year when H.M.C.S. *Ontario* was put into full commission.

Mr. ADAMSON: May I ask a supplementary question? Have we a cruiser on the active list now? If so, what is that cruiser?

Mr. CLAXTON: H.M.C.S. *Ontario*.

HOUSE OF COMMONS

SALARY INCREASES TO EMPLOYEES—QUESTION AS TO RETROACTIVITY

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to direct a question to the Minister of Finance. Is it the case that treasury board regulations or any other provision will prevent employees on the government payroll from receiving increases retroactive to last October if those increases are not put into effect before March 31, the end of the fiscal year? Will the government make sure that its proposed increases for employees of the House of Commons are brought into effect before the end of this month?

Mr. SPEAKER: Order. I suggest to the hon. member that he put his question on the order paper.

BUSINESS OF THE HOUSE

REQUEST FOR OPPORTUNITY TO DISCUSS EXTERNAL AFFAIRS

On the orders of the day:

Mr. WILLIAM IRVINE (Cariboo): I should like to ask a question of the Secretary of State for External Affairs, of which I have not given him notice. When may the house expect an opportunity for a proper discussion of international affairs?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The Secretary of State for External Affairs cannot himself arrange the business of this house. The Prime

Minister has already declared that an opportunity will be given to discuss external affairs as soon as it is possible to go into committee of supply, and that the estimates of the Department of External Affairs will be the first estimates to be called. I would expect that on the first item of those estimates there would be an opportunity for full discussion of the whole international situation.

PUBLIC WORKS

FLOODING OF ETOBICOKE CREEK—REQUEST FOR REMEDIAL MEASURES

On the orders of the day:

Mr. RODNEY ADAMSON (York West): I should like to ask a question of the Minister of Public Works concerning a matter about which I spoke to him yesterday and about which I today had a letter from his secretary. In view of the serious flooding of Etobicoke creek and the loss of life which might be occasioned thereby, will the minister give immediate consideration to granting the application of the Department of Highways of Ontario to proceed with remedial works on this river?

Hon. ALPHONSE FOURNIER (Minister of Public Works): We are looking into this question to see if it comes under the jurisdiction of the federal government. To date we have not received an answer to that question. If it is under federal jurisdiction we will certainly attend to the works. If not, I believe the province will have to take care of the matter.

Mr. GRAYDON: I suggest to the minister that when the answer to the question which the hon. member for York West has asked is brought down he keep in mind the fact that serious damage was done by flooding the day before yesterday in the town of Brampton. I should not like to have that town left out of consideration.

TRANSITIONAL MEASURES ACT, 1947

CONTINUATION OF CERTAIN ORDERS AND REGULATIONS

The house resumed from Tuesday, March 16, consideration in committee of Bill No. 136, to amend the Continuation of Transitional Measures Act, 1947—Mr. Ilsley—Mr. Macdonald (Brantford City) in the chair.

Mr. R. W. MAYHEW (Parliamentary Assistant to the Minister of Finance): I should like to enlarge upon the brief statement I made in the house on the evening of March 16, with regard to the Canadian Sugar Stabilization Corporation Limited, and to reply to some of the questions asked by the hon. member for Muskoka-Ontario and the hon. member for Rosedale.

The Canadian Sugar Stabilization Corporation Limited, as I said on that evening, was incorporated as a crown company in March, 1947, to take over the duties and responsibilities which previously had been vested in the sugar administrator of the wartime prices and trade board. I stated that the corporation had acquired or is acquiring Canada's 1948 requirements of imported cane sugar. I was asked if bulk buying was desirable in peace or was continued only when necessary. It is the policy of the board, under the direction of the government, to withdraw from bulk purchasing as soon as it ceases to be necessary in the public interest. In October 1939 an agreement was entered into with the government of the United Kingdom on a plan of co-ordinating the purchasing of sugar for the duration of the war and for such period thereafter as might be considered necessary to permit of return to normal trading. This agreement was eventually embodied in an exchange of notes in September 1940. In the autumn of 1945 the United Kingdom intimated that they proposed, in the interests of maximum production and an orderly return to normal trade, to guarantee the purchase of all empire cane sugar to the end of 1949, and inquired whether Canada would wish to participate in these purchase arrangements. After full and careful discussion we agreed to participate up to our import requirements, with the proviso that we could withdraw at any time preceding the opening of the new crop year if we felt the proposed prices were too high.

Our present position is that we are in this arrangement for 1948, and that we have the right to withdraw from the 1949 crop at any time prior to December, 1948, if we feel that the proposed price for 1949 is too high. It was then and still is our view that our average price for 1947, 1948 and 1949 under this agreement would be below the average free market price for those years. The world sugar supply, up to and including the 1948 crops, was allocated through the international emergency food council. The 1948 crops are not under international allocation. We agreed with the United Kingdom, however, early in the summer of 1947 that we would buy our 1948 requirements of non-empire sugars from the United Kingdom ministry of food, paying their actual average costs.

We are informed that the highest price paid for 1948 sugar by the United Kingdom

under these arrangements is $5 per hundred pounds, and the lowest price is $3.75. The agreed price for the 1948 empire cane sugar is $4.75. The average price for all sugar purchased appears likely to be about $4.81. The market quotations for sugar for the 1948 crop have been as high as $5.25 and as low as $3.65. The present open market price is about $4.15. All these prices are f.o.b. West Indies islands. The duty on empire sugar is 29 cents per hundred pounds and on foreign sugar $1.29 per hundred pounds. It is estimated that about 50 per cent of the 1948 imports will come from empire sources and 50 per cent from non-empire sources. The continuance of the Canadian sugar stabilization corporation is necessary to give effect to these arrangements relating to sugar, at least until the 1948 purchase program is completed. The corporation's present selling price to refineries is on the basis of $5.94 per hundred pounds of raw sugar of 96 degree polarization. The refiners' maximum price for refined sugar is $7.89 net per hundred pounds f.o.b. Montreal.

Then I thought the committee would be interested in these figures, which I am able to give. The estimated sugar requirements for Canada for the year is 600,000 tons, of which 250,000 tons is estimated to come from empire sources, 150,000 tons from Santo Domingo, about 100,000 tons from other foreign sources, principally Cuba, and about 100,000 tons from our own domestic sugar beet producers.

Mr. JACKMAN: I believe this raises the question whether or not this committee is in favour of bulk buying. Sufficient information has not been adduced to the committee to convince one that we are much better off by reason of this contract with Great Britain than we would be if we stood on our own feet and bought sugar where that could be done to the best advantage. For example, the present price of sugar is $4.15 per hundred pounds, while I understood the parliamentary assistant to say that at the present time we are paying an average price of about $4.81. These controls may seem good from certain points of view, but it is surprising how they may have repercussions which are not expected. Last October or November, for instance, I was in Regina and went through a warehouse where I saw carton after carton of American biscuits. Right across the road from this warehouse was the plant of a Canadian biscuit manufacturer. The thing seemed so peculiar that I asked the reason for it. I found that the wholesaler could not get enough Canadian biscuits because at that time I understood we were on a sugar ration or sugar quota; so we were using our valuable United States dollars to import biscuits which, because of their sugar content, we did not have in Canada, though right next door to this warehouse was a biscuit manufacturer.

I do not profess to know all the ramifications of the sugar business, or of the biscuit business for that matter, but when you see a situation like that you immediately come to the conclusion that those who impose controls upon us little know just how far their controlling goes. Here we faced a situation where the most vital thing in our economy was the preservation of United States exchange. The United States had no sugar quota; it dealt in a free market in sugar, apparently, though I understand it left the empire countries to Great Britain. The United States had all the sugar they wanted; they had it for export in manufactured form, giving employment to her own people, while we were losing the small balance of exchange we had.

I do not understand why we in Canada have been kept on a quota longer than the United States. It may have something to do with the empire agreements, but I think it should be explained to the committee. I believe we would all be interested in learning what were the real advantages; whether or not the advantages outweigh the disadvantages of getting back to free enterprise and the purchase of sugar in the cheapest market we can find.

Just in passing, I happened to notice on the order paper today a question which was not answered. It was sent in by the hon. member for Lake Centre, who asked why we paid more for imported cane sugar than we paid our own growers of sugar beets. I think that question should be answered; it is part and parcel of this whole matter.

Mr. KNOWLES: There is another matter I wish to speak about.

Mr. JACKMAN: Is there no answer to what I have just said? I do not think the government has made out any case at all for the continuance of this contract.

Mr. ILSLEY: It is made for 1948.

Mr. MAYHEW: The contract is made for 1948.

Mr. JACKMAN: When was it made?

Mr. MAYHEW: In 1947. At the time it was made it looked like a good deal, and it may yet turn out to be even better than it looks at the present time. Sugar is bound to fluctuate from time to time; and I would suggest to the hon. gentleman and the committee that from the general appearance of

things it might be advisable to continue the arrangement for a time. But I can assure hon. members that it is the intention to do away with this just as soon as possible, and it is possible that it may be done away with before the 1949 agreement comes into effect.

Mr. JACKMAN: If the agreement for 1948 was made in 1947, when in 1947 was it made? I should like to know when we shall consider the 1949 contract. It may be that it is almost due for consideration now, and the opinion of the committee may be useful.

Mr. MACDONNELL (Muskoka-Ontario): Perhaps I may be permitted to reinforce the question which has been asked. As the hon. member for Rosedale has said, today we have just been given a statement that the government considered it desirable to do this; I do not think we have been given any reason. This seems to me to leave the matter in an unsatisfactory position. I shall not press the point unduly, but inasmuch as the parliamentary assistant has stated virtually that this is the last year—or am I putting too much into what he says?—are we astute to get as much sugar as we can from sources other than dollar countries? We still seem to be buying a great deal there, a procedure which seems undesirable if it can be avoided.

Mr. MAYHEW: Our present position is that we have entered into these arrangements for 1948, and we have a right to withdraw from the 1949 crop at any time prior to December 1948. Unless there be a development of some things we cannot now foresee, it looks to me as though we would be in a position to get out of this by the end of the coming fall.

Mr. JACKMAN: It is not a question only of whether we are in a position to withdraw. My colleague asked whether it was the present intention of the government to withdraw.

Mr. MAYHEW: I can assure the committee that it is the desire to get out of these arrangements as soon as possible. But it would be impossible to give the committee a definite date on which that will be done.

Mr. ISNOR: I should like to ask a question supplementary to that of the hon. member for Rosedale. What was the determining factor which entered into the making of the contract? Was it a matter of quantity, or of price? While I realize that the factor of quantity may have been important during the war, I am more concerned about the trade relations which could be established between this country and some other producing countries. In years gone by we enjoyed a happy trade relationship with both Cuba and Santo Domingo. I should like to see these trade relations revived as soon as possible.

Mr. MAYHEW: Both factors were considered—regard for a stable price and continuity of supply. Then, I believe I did give the figures when I pointed out that we will be purchasing about 150,000 tons from Santo Domingo and about 100,000 tons from other foreign sources, chiefly Cuba.

Mr. FRASER: Was the price fixed when the contract was given, or is it a price based upon the market?

Mr. MAYHEW: For the empire sugar the British fix the price and we agree. For the non-empire sugar it will be the average price paid.

Mr. FRASER: Is the average price lower than the British contract price?

Mr. POULIOT: Mr. Chairman, before the question is answered let me say that I am impressed by the distinction drawn between empire and non-empire sugars. Non-empire sugar is imported direct from Cuba, while empire sugar must cross the ocean twice, both eastward and westward, before we get it. That is why it is so expensive.

Why should there be a sugar trust in London? Why should we be obliged to buy that sugar from London when we could have it direct from the West Indies? Not only that, but I renew the suggestion I have made before, that we are entitled to have part of the British empire. Why do we not have the West Indies? Everything has been given to everyone else; but when it comes to Canada we are too proud either to accept or to ask for anything. This is an example of one of the necessities coming from a tropical climate. In Canada we have no tropical temperatures and, while we have beet sugar, we do not have cane sugar. If the West Indies were transferred to Canada we would have cheaper sugar and would be able to import it direct. Why should there be so much red tape in trade? That red tape is paid for by the consumer. Is there anyone who loves the empire so much that he will be content to pay more dearly for his sugar? Where does the money go? It goes for maritime freight, and to the owners of the bottoms which carry the sugar both ways across the ocean. It is a fine trip for the sugar, and I am wondering if salt water improves its quality. I am told that if a keg of beer is put on a sailing vessel during the summer and permitted to remain there while the vessel is on a long voyage, it gives a certain gusto to the beer. I wonder if the same applies to sugar?

This is the kind of trade I denounce, not because it is trade within the empire but because it is nonsensical. Not only that, but we have to pay for it. The empire imports which we take are paid for from the advances we make to them. Could anything be sillier? That kind of trade cannot be justified. I was right when I denounced it two years ago this spring; and I am right again today when I suggest the government should be bold enough to tell the British government that it is time for Canada to have some of the crumbs from the British empire.

We are entitled to have the West Indies. I wonder if the government does not dare to ask for them from Great Britain because of the possibility of some objection from the United States. What business is it of the United States to interfere with our dealings with the old country? It is none of their business; it is our own. We are not an enemy country; rather we are a friendly country. There is no great wall of China between the United States and Canada—and how many times have I heard that repeated!

I suggest that we should have sensible, practical and realistic trade with all parts of the world. As I have said, we do not have a tropical climate in Canada; therefore let us have a part of the empire which is in a tropical zone. We might have visits from English warships at times, if we were to own the West Indies. Nevertheless we are entitled to have them, after all the sacrifice in men, money and food, and sacrifices of all descriptions, we have made for the empire.

I may be called an isolationist when I suggest that, but I am not an isolationist. I follow the practice of practical English businessmen and the example of the English bulldog who tries to get all he can for his country. That is laudable. Why should we not follow that example? Why are we so subservient? When we import sugar why should we pay freight on a double crossing of the ocean? That has to be paid for by the Canadian consumer, who has a heavy enough burden to bear already. I know very well that the matter will not be taken into consideration now, but I am throwing out suggestions in order that members of parliament will have an opportunity to think about them and to realize that Canada is entitled to her share of the British empire before it goes somewhere else. Already Palestine has gone; Egypt has gone. Let us at least save the West Indies for Canada. They will be much better off with us than with any other country in the world.

Mr. ISNOR: If the hon. member for Temiscouata is sound in his argument in regard to freight rates, I suggest to the minister and his officials that they give serious thought to basing the price on an Atlantic coast port where raw sugar is landed instead of on Montreal. As it is now, it looks to me as though once again central Canada is being given protection. The price is based on Montreal, in central Canada. We pay the freight on the raw product to Montreal to be refined there and then shipped to other parts of Canada. I say the price should be based on the Atlantic coast port where the sugar is landed. I am glad to see the Minister of Trade and Commerce here. This is an opportunity for him and other members of the cabinet to give encouragement to Nova Scotia and the maritimes by insisting that the Acadia Sugar Refinery be reopened for the refining of sugar, thus producing sugar on the Atlantic coast more cheaply and bringing down the cost to the consumers throughout the whole dominion.

[Mr. Pouliot.]

Mr. POULIOT: If I may be permitted one word more, according to correspondence which I receive from people living in the West Indies and from what I hear from friends who go there, the public feeling in the West Indies is that it should join up with Canada. A large proportion of the population in Trinidad, Jamaica and the other islands wish to do so, and if the question were put to a vote they would join up with Canada at once.

Mr. MAYHEW: The hon. member for Temiscouata is quite wrong in saying that the sugar crosses the ocean twice. It comes direct from the islands to Canada. As a matter of fact we are paying for empire sugar approximately $4.75 and for foreign sugar $4.87. The British have purchased all the exportable surplus on the islands and they are selling it to us at their cost. Landed in Saint John, New Brunswick, it is two cents per hundredweight less than when landed in Montreal. Sugar prices are based on Saint John, Montreal and Vancouver, at the same price.

Mr. ISNOR: Why not include Halifax? I have nothing against Saint John, but for years we had the Acadia Sugar Refinery operating. During the war it was closed down because, we were told, of a shortage of fuel oil. I think that this is an opportunity for the government to step into the picture and once again have the Acadia Sugar Refinery at Woodside resume operations, which would also provide badly needed employment in that part of the country and once again make Woodside, a suburb of Dartmouth, a prosperous community.

Mr. ILSLEY: The hon. member for Halifax will appreciate that it was not by action of

the dominion government that that refinery was closed down. I do not know exactly what he is suggesting now. Is it that we quote a low price for raw sugar at a place where there is not a refinery?

Mr. ISNOR: No. I go beyond that. I say that here is an opportunity for the Minister of Trade and Commerce and other members of the cabinet, including the highly-respected minister representing Nova Scotia, to help the maritimes by taking action which will result in the re-opening of the Acadia Sugar Refinery at Woodside. It was closed down during the war because of a shortage of fuel oil, or at all events that was the reason given at the time—that it was a war casualty. Of course it may have been just another manoeuvre on the part of the promotors to centralize the refining of sugar. In any case I am asking the government to take action which will result in the re-opening of the Acadia Sugar Refinery.

Mr. KNOWLES: May I ask the hon. member and the minister a question? Does it not follow that he is really asking the government to open up and operate that refinery as a government proposition?

Mr. ISNOR: No; you cannot put me in that position.

Mr. KNOWLES: You are putting yourself there.

Mr. ISNOR: No. If I see a man who needs help, who needs a meal, for instance, I am glad to help him, as I am sure my hon. friend would. The government is perhaps in a position to assist those who formerly operated the Acadia Sugar Refinery.

Mr. ILSLEY: This is not my department, but I could not imagine the government refusing to give a Halifax buyer of raw sugar as low a price as the Saint John buyer. It is based on the West Indies price, plus freight, and the freight is less to Saint John than to Montreal. If there is a refinery in Halifax the freight to that port would be less than to Montreal.

Mr. ISNOR: The only price quoted by the parliamentary assistant in his first statement, before I had spoken, was based on Montreal. I still feel that the government could do something.

Mr. ILSLEY: We could certainly do that.

An hon. MEMBER: A by-election?

Mr. ISNOR: I very seldom think of politics.

Mr. MILLER: May I ask the parliamentary assistant why the Minister of Finance persists in refusing to grant the request of the sugar beet growers to have the price of sugar produced from beets equalized with that of sugar produced from cane? At present there is a spread of 19 cents on the average, from $7.89 to $8.08. The sugar beet growers have consistently asked that the government pay the same price for sugar from sugar beets as for sugar from imported cane. The government maintain that they are not subsidizing sugar, or that they will not subsidize sugar producers in this country, but if they are subsidizing, as they really are, cane sugar importations to the extent of 19 cents a hundred I do not see why the sugar beet growers do not get the same consideration, the same price f.o.b. at Montreal. It has never been satisfactorily explained to the sugar beet growers so far as I know, and I should like to have an answer.

Mr. MAYHEW: I am advised that traditionally beet sugar has been lower than cane sugar, but some time ago beet sugar was raised to the same price as cane sugar. If Montreal is the base, then the price in the sugar factory in Winnipeg would be that price plus the freight; therefore the beet sugar growers in Manitoba would get the Montreal price plus the freight from Montreal to Winnipeg.

Mr. MILLER: Perhaps you can say that in one way, but is it not a fact that the cane sugar people are getting another 19 cents a hundred? You may be paying it out of your $21,000,000 stabilization fund, but actually the cane sugar people are getting 19 cents a hundred more at Montreal than the sugar beet growers; that is, on the basis f.o.b. Montreal. It does not matter where the money comes from; the cane sugar producers are getting the benefit, to the extent of 19 cents a hundred, over the sugar beet growers.

Mr. POULIOT: Just a word on the information given by the parliamentary assistant; he said that the non-British sugar was more expensive than the British sugar; that there was a difference of 12 cents. That may be so, but he knows very well that there are fluctuations in the price of such commodities. Today the difference is on one side; tomorrow it may be on the other side. But taking into account these fluctuations, it is more than evident that it would be to the benefit of Canada to have the West Indies as part of Canada. They are nearer to Nova Scotia than the part of the country in which I live. Everybody would be satisfied to have the West Indies as part of Canada. If that came about we could get sugar, molasses, bananas, rum and all the products of tropical countries from these islands, and it would come from our own country to the great satisfaction of all.

Another thing I notice is that these are dealings between governments. If I am not mistaken these purchases are made between governments. I wonder whether that is so.

The CHAIRMAN: Shall the item carry?

Mr. POULIOT: Just a minute. I have asked a question. I wonder whether the commercial exchanges are between representatives of both governments, both exporters. I should like to know whether, when we buy empire sugar, it is bought through the British government or from private firms in these countries.

Mr. MAYHEW: The British government actually purchases the sugar and we are buying it at their cost. Our cheques actually are paid to the growers, not to the British government. That probably answers the hon. gentleman's question. If I understood the hon. member aright he said that empire sugar was costing more than foreign sugar. That is not so. The reverse is true.

Mr. POULIOT: I understand, and I admit what my hon. friend has said.

Mr. MAYHEW: We do not know what the fluctuation is going to be, and the contract is for only 1948. What might happen in 1949 is something else.

Mr. POULIOT: In the first part of my remarks I said that empire sugar was more expensive, and in the second part I took into account what my hon. friend has said. I notice that there is a difference of 12 cents, and that non-empire sugar is more expensive; but I was under the impression that both governments were dealing together in the purchase of that sugar. That would be pure socialism, and the cost would not have been the same at all concerning the purchase of non-empire sugar. I am glad that my hon. friend has said that the British government was making the arrangement but that payment was made directly to the producers. I congratulate them, and I warn them to be very careful in their dealings with Mr. Strachey, because he does not keep his word very often.

Mr. MACDONNELL (Muskoka-Ontario): I want to add a word. I think we cannot pretend that the explanation which has been given as to why this was done takes us very far. The statement has been made that it was thought wise to do so. One wonders whether it has just been continued without anyone standing off and criticizing it. I am looking at it in a detached way to consider whether the time has not come to get away from bulk buying; nevertheless I am not disposed to follow the matter further, but I should like to say this. I hope very earnestly that it will not be necessary to continue it beyond this year. There has been considerable indication from the parliamentary assistant that it may not go further, although he has not bound himself. If it comes up again we of this party will certainly be very critical, and we shall try to resist any further extension of it.

Mr. MILLER: I should like an answer to my question.

Mr. MAYHEW: I think possibly a paragraph in the minister's letter of February 12 will answer the hon. member for Portage la Prairie. It is as follows:

> May I also refer to an earlier paragraph of my November 3 announcement in which I said that "if there is any significant and sustained decline in world market prices it is the intention of the government to reduce Canadian prices on refined sugar accordingly." While I do not think that the decline has yet been sufficiently significant or sustained to justify such action, cane sugar has recently been on offer at prices significantly below the average price at which we purchased our 1948 supplies. I do not think therefore that beet sugar prices are depressed below what they would be if sugar control were to be removed immediately.

May I just say a word to the committee. There will be full opportunity to discuss this item when the estimates of the Department of Finance are before the house. At that time the officials of the sugar board will be here and the details will be arranged in such a way that all these questions can be answered fully. I just wonder whether the amount of information we have given so far should have been given when we are in the midst of a deal. I wonder whether any businessman would be expected to do what we have done in the committee today. We are in the midst of the deal and we have given information which I, as one who has been accustomed to bargaining a little bit, doubt whether I would wish to give in a deal as important as this. We are not trying to cover up anything. I think the people are entitled to everything. The questions that were asked on Tuesday were justified. The answers given were short; but we did not have time to prepare for it. I ask hon. members to let this debate end here and then be prepared to come with their questions in an orderly fashion when we have everything before us so that they can be answered.

Mr. MILLER: I can see the parliamentary assistant's point but our difficulty is that the sugar beet growers, and the sugar beet company in Manitoba anyway, feel that if the government would meet the request of the

sugar beet growers and equalize prices, cutting out the 19 cent disparity, it would increase acreage. It would be of advantage to Canada and would help the dollar situation if sugar beet acreage were increased. If however we wait until the particular item to which the parliamentary assistant has referred is brought down, it will be too late even then, if nothing is done about it before that time, to encourage an increase in acreage which should be sown in 1948. That is why I would like to have the parliamentary assistant discuss it with the Minister of Finance. Perhaps the minister could even yet adjust what the sugar beet growers claim is a great injustice.

Mr. MAYHEW: The matter will be discussed with the ministry.

Mr. POULIOT: I wish to say a word of appreciation of the Minister of Finance and the parliamentary assistant for their willingness to answer so many questions on so many different subjects. These matters are delicate and difficult and they do their best to inform the house. I am sure everyone has appreciated the way in which they have dealt with the questions that have been submitted to them. The answers were mostly satisfactory to members.

Mr. McKAY: May I ask the parliamentary assistant to answer the question I asked on Tuesday, which he deferred to a later day? The question had reference to whether or not a directive had been issued to the rental commissioners to favour the tenant rather than the owner of property. He said he would give the answer some time later. I am concerned about the answer because I have received many letters from veterans and old folks who own homes and are unable to obtain occupancy.

Mr. MAYHEW: There has been no directive issued by the board along the lines suggested.

Mr. McKAY: There hasn't been any?

Mr. MAYHEW: No.

Mr. KNOWLES: I wonder if we might revert to the discussion of the other evening on the two orders in council listed under the Department of Mines and Resources, 7167 and 7168. The other night I asked a question about these orders in council and the Minister of Trade and Commerce was good enough to make an immediate reply which took the form of an announcement as to the change that had been made in government policy with regard to this matter. Incidentally I have to point out that one of the difficulties in connection with this kind of legislation is this. When we passed the bill a year ago it carried forward a number of orders in council. Some of these we were opposed to and yet they have been carried forward another year, while other orders in council like these we were in favour of, and had hoped would be continued, have been revoked in the meantime.

Mr. HOWE: May I interrupt to say that when the two orders in council referred to were extended last year I gave notice that it would be only a matter of a short time until they would no longer be required. At that time I expressed the government's viewpoint that minerals in the ground should not be subject to control.

Mr. KNOWLES: I can confirm that the minister gave that indication when the matter was up last year, but I still press the view that these orders in council should have been continued, or that the provisions brought into effect by these orders should have been made effective by permanent statute. It is obvious to all of us that we are at a very early stage in this whole matter of radioactive minerals and atomic energy. It seems to me, in view of the losses that the Canadian people have sustained in the past from the alienation of raw materials and natural resources, we should go rather slowly in this new field of atomic energy.

I remember the Minister of Trade and Commerce telling us on another occasion that he did not want to see a repetition of the experiences that this country suffered in the matter of railroading. He did not want to see those experiences repeated in air transportation. We take the same position with respect to radioactive minerals and atomic energy.

I say as briefly and as pointedly as I can that we disagree with the minister. We feel that these minerals should have been reserved to the crown, at least until the world knows a little more about this subject. It is interesting to note the sort of publicity that has been given to this announcement and the items that have been in the news in the last day or two. This morning's radio carried the news that gold miners were now turning their attention to uranium rather than to gold. Maybe we shall not have to go ahead with Bill No. 7, in which the hon. member for York West and others are so interested, now that this guaranteed price has been fixed for uranium concentrates, with the understanding that the government will buy all the uranium concentrates of a certain specification that are produced.

In view of the fact that we do not yet know how fully these minerals will be used either for war or for peace, I suggest that we are opening the door to a new phase of profiteering, and I feel very strongly that this alienation of yet another natural resource should not have been permitted by the federal government. I realize that the present policy—

Mr. HOWE: What resource is being alienated? I would point out that any and all uranium mined in this country must be sold to the federal government.

Mr. KNOWLES: I am coming to that immediately. Radioactive minerals in the ground, by the orders in council that have been revoked, were reserved to the crown even while in the ground. Now the government has moved to the position that private interests may go in and explore and exploit and develop these minerals, though the minister points out that the government maintains its control in this field by buying all the uranium that is produced.

That is the position at the present time, but I ask hon. members to note that it is a change from what it was before, and I also ask hon. members to note the quotation which the minister gave the other night from a memorandum he had just received with regard to the position in the United States. On page 2285 of *Hansard* will be found this quotation with reference to the policy of the atomic energy commission in the United States:

> In general it will be commission policy to purchase ores for its program from private sources and limit direct government production as far as possible.

I have not before me the details of the United States program, either as at the present time or for the future, but that sentence suggets to me that the commission in the United States thinks in terms of private interests having stockpiles of this material from which the United States atomic energy commission will purchase supplies for its program. The minister said the other night that although arrived at independently, this government and the United States government were following somewhat parallel lines. I should not be surprised if before long the minister announced a further change of policy that permits this sort of thing, namely, the stockpiling of these materials by private interests. The very fact that the government purchases uranium from private interests means that there is a stage at which private interests own this material. It is obvious to all of us that there is no way of telling what the value of these materials will be. I think it is a little too soon for action of this kind to have been taken. In fact I would hope that we might move in the direction that this sort of action would never have to be taken. But at least in the present situation I regret that the government has taken this stand.

I do not think I shall say anything more at this moment, but will merely ask a question of the Minister of Trade and Commerce. The statement he made the other night related, I take it, to these two orders in council that have been revoked. They referred only to the radioactive minerals in the Yukon and in the Northwest Territories. That is natural because those are the only parts of Canada in which the natural resources belong to the crown in the right of the federal government. Can the minister tell us what the situation is in the rest of Canada? I refer to the provinces. I realize that that matter is not under his jurisdiction, but it is one of general interest. Can the minister tell us what the situation is in the various provinces?

Mr. GREEN: Before the minister answers that question, Mr. Chairman, I should like to ask a question of the hon. member for Winnipeg North Centre. How does he suggest that the prospecting for these precious metals be carried out? Does he really believe that the government can prospect for minerals and find them in just as many cases as individual Canadians can?

Mr. KNOWLES: Individual Canadians can do the prospecting, but they can do it now, just as they did while these orders in council were in effect, under the direction of the government and with the full knowledge that those minerals belong to the government. We have had this sort of discussion a good many times before, and hon. members to my right need not think that what we are saying is any criticism of the rights of individual mining prospectors. They are Canadians; they are workers like a good many more, and deserve their chance to make a decent living. The thing that bothers me is that it is not the individual prospector who makes a mint of money out of mining; it is organizations like Eldorado before it became a crown corporation, Consolidated Mining and Smelting Company, and so on. Frankly I have no confidence in organizations of that kind when it comes to a subject which is so tremendous in its energy potential and its wealth-producing potential, not to mention its relation to the problem of war.

Mr. GREEN: My hon. friend has not answered my question. Does he really believe that these minerals can be found best by employees of any government, whether dom-

inion or provincial? Or does he believe they can be found best by companies, let us say, or individuals whose business is prospecting?

Mr. KNOWLES: In reply to that question I would say that most of the prospecting that is done today is done with all kinds of help that comes from governments, both federal and provincial. If it were not for all the assistance to mining, such as geodetic surveying and all the rest of it, that is afforded through the expenditure of public money, the prospectors would have a tough time of it.

Mr. GREEN: I am afraid the hon. member does not know much about mining.

Mr. SKEY: Does the minister expect to increase the amount of uranium ore found in Canada by this recent lifting of the government restriction?

Mr. HOWE: To answer to the first question first, the federal government, as my hon. friend has said, owns the ore only in the Northwest Territories. The provinces own the natural resources within their boundaries. When the ban on prospecting for uranium was imposed by the federal government, each province was communicated with and asked to put into effect a similar prohibition in the provinces. I think seven of the provinces did that and two did not. I leave it to my hon. friend to guess which two did not.

Mr. KNOWLES: There is no difficulty there.

Mr. HOWE: As soon as it was felt that it was no longer necessary for the crown to control uranium, the provinces were notified accordingly; and I think all the provinces except Saskatchewan have taken parallel action with the dominion in lifting the prohibition against prospecting. To reply to the question asked by the hon. member for Trinity, yes, we think that opening up uranium prospecting will increase the known reserves of uranium. As hon. gentlemen know, there are in this country a good many million miles of suitable territory to be explored. The federal government for these three years have had a number of parties out—I think some twenty or twenty-two—and certain discoveries have been made. The value of the discoveries cannot be determined until they are opened up. We think that with all the prospectors who are looking for other minerals but are also on the lookout for uranium and those who may be sent out to look primarily for uranium, there will be further discoveries.

Mr. SKEY: Has the status of Eldorado changed as a result of your orders?

Mr. HOWE: No. Eldorado is a mining property at Great Bear lake. They are operating a refinery at Port Hope. They are also opening up one or two prospects that have been discovered in the last year or two. But Eldorado is most active and we are hoping its activities will be stepped up as the result of the new regulation.

Mr. SKEY: Has the minister ever tabled the report of the investigation into Eldorado?

Mr. HOWE: I do not know of any investigation into Eldorado.

Mr. SKEY: It was brought up by way of question last year and the year before. I have reference to the report of the Glassco commission.

Mr. HOWE: That was an interdepartmental report. It will not be tabled.

Mr. STEWART (Winnipeg North): I disagree with the government's policy in this respect. I think it is wrong. But unfortunately the whole situation concerning this valuable mineral and what we derive from it is shrouded in secrecy, and perhaps with good reason. Today, however, I intend to ask the minister some questions and I hope to get an answer to most of them. None of them will affect security matters at all. The right hon. gentleman, in this statement of his the other day, either said too much or too little; but he has left a great many *x's* in the equation and I should like to hear the answers to them.

In the first place I should like to lay a background for what I have to say by quoting from the official United States report on atomic energy, with which the minister is well acquainted. The author in his preface states:

> The ultimate responsibility for our nation's policy rests on its citizens and they can discharge such responsibilities wisely only if they are informed.

I shall go right to the end and quote words from this book which I think every member of parliament should read. They are found at page 135:

> We find ourselves with an explosive which is far from completely perfected. Yet the future possibilities of such explosives are appalling, and their effects on future wars and international affairs are of fundamental importance. Here is a new tool for mankind, a tool of unimaginable destructive power. Its development raises many questions that must be answered in the near future. Because of the restrictions of military security there has been no chance for the congress or the people to debate such questions.

Such, of course, is obviously true in Canada as well, to some extent.

> They have been seriously considered by all concerned and vigorously debated among the

scientists, and the conclusions reached have been passed along to the highest authorities. These questions are not technical questions; they are political and social questions, and the answers given to them may affect all mankind for generations.

We may have to bring up some of these questions in this house, in the hope of getting answers. The report goes on:

In thinking about them the men on the project have been thinking as citizens of the United States vitally interested in the welfare of the human race.

Again we could substitute "Canada" for "the United States".

It has been their duty and that of the responsible high government officials who were informed to look beyond the limits of the present war and its weapons to the ultimate implications of these discoveries. This was a heavy responsibility. In a free country like ours such questions should be debated by the people and decisions must be made by the people through their representatives.

We now have an opportunity, though brief, to discuss some of the fundamental issues contained in the statement made by the minister the other day. The policy of the government is avowedly to permit private exploration for and mining of radioactive materials. As I say, I disagree with that policy just now, because I do not agree with those who see in this new substance, fissionable material, a way to open up suddenly vast resources of energy and potential wealth for the people of the nations. We may not see that in our lifetime; but I am convinced of this, that as far as the nations of the world are concerned, the real value of atomic energy today lies in its power to destroy, to kill and to obliterate. This means we have to consider the policy of the government from that point of view; and that policy is to permit, to some extent, so-called private enterprise—I suppose because the government considers it more efficient—to profit out of this material which is so extraordinarily dangerous when it reaches the end stage.

I should like to have seen the government continue its policy of maintaining title, in the Northwest Territories and the Yukon, to these radioactive materials; and I should like to see the government continue the agreement with the provinces, as far as possible. I believe the provinces should be asked to work in co-operation with the federal government, so that when such radioactive minerals are found in the provinces they can be exploited in conjunction with the federal government for the benefit of all.

Mr. CASE: If the hon. member will permit a question, is he prepared to see the provinces and the dominion spend the taxpayers' money on the exploration and development of such deposits?

Mr. STEWART (Winnipeg North): It is already being spent. We have spent thousands and probably hundreds of thousands of dollars in that way. I have no objection to that, because this material is one of the most vital things in the world today. We have to look at it from that aspect, and from no other. In his statement at page 2284 of *Hansard*, the minister said:

The government will purchase . . . acceptable uranium bearing ores . . .

Here begins my list of questions. The minister said such ores must have a minimum uranium content equivalent to ten per cent by weight of uranium oxide. What will be the position with respect to ores containing only five per cent of uranium oxide, say, or seven and a half per cent, or eight per cent, or nine per cent? Does the government intend to purchase all such ores, or will it leave the ores with a lesser uranium oxide content in the hands of those doing the mining? If so, what will be the consequences of that policy from the point of view of stock-piling, with which I think the hon. member for Winnipeg North Centre dealt cogently?

That is one question. On the next I admit my ignorance and would be glad to be guided by the minister. What about the question of thorium? The Prime Minister told us in this house some two years ago that thorium was a basic necessity for the manufacture of atomic bombs; yet there is no mention of it here at all. I should like the minister to say something about that.

Then in the statement by the minister we are told that a minimum rate of $2.75 a pound will be paid for this ore. The question which immediately arises in my mind is this. Is $2.75 a pound an excessive price to pay, or is it a reasonable price? We can be certain that the price is not too low, but I should like to know whether the price of $2.75 a pound gives a reasonable return to those who are producing this ore. Who determined that price? On what basis was it determined? Was it done by the department itself, or was it done by the government in conjunction with the corporations which will mine this substance? That is another matter I should like to know something about.

There is something else we must remember. In 1939 an agreement was entered into between the Eldorado company and Union Minière du Haut Katanga, which was the Belgian company working in the Congo. These two companies were in the field to develop radium, and they had come to the conclusion that if they carried

on production at the rate then in effect the price would have to be dropped. So they entered into this agreement, under which the Belgian company was to get sixty per cent of the market and the Canadian company, forty per cent. As an annual mining review stated, they did this because the developed potential exceeded absorption capacity. Radium is one of the most vital materials we know of for the preservation of health, for the prevention of disease and, through that prevention, the preservation of life; yet no matter how great the need among the peoples of the world, these two companies decided at that time to restrict production. The reason for that may have been, in the words of the United States statement which was quoted by the minister, "under the stimulus of profits," but I regret very much to see the stimulus of profits used in such a way. What guarantee is there that this sort of agreement will not be entered into in future? The minister has stated that he looks with approval upon United States policy; but then United States policies have not the complete support of United States scientists and public men. Here I should like to quote part of a study made for a seminar in government administration and public policy at Harvard University, by Mr. Richard Dyer McCann, who is a lecturer there. He said:

> Government operation is only partly envisaged in the atomic energy act of 1946. The "declaration of policy" in the act calls for "strengthening free competition in private enterprise" as well as a number of other objectives like increasing the standard of living, promoting world peace, and so on. The accompanying committee report stated that "wherever possible, the committee endeavours to reconcile government monopoly of fissionable material with our traditionable free enterprise system."
>
> Some observers say that under Republican tutelage, atomic energy will be completely "returned" to private enterprise.

That is the hope of many in the United States today. It may even be the aspiration of some in Canada; but as far as I am concerned, it is our responsibility in this party to see that, as far as we can avoid it, that does not become Canada's policy, and I hope it does not. The effects of such a policy can be seen in a later quotation from the same article:

> General Electric now has responsibility for a huge new research laboratory at Schenectady and has taken over from duPont the Hanford works in Washington—by far the most important of the three production plants.

That is one of the largest plants erected by the United States government for the manufacture of fissionable material.

> Thus General Electric becomes the primary wholesaler of atomic power. Can it be doubted that General Electric expects to have things to say about the placement of secondary power plants in the United States? Can it be doubted therefore, that decisions about production policy of the united nations atomic energy commission —and of any future ADA—are of considerable importance to General Electric? May it not be assumed that we are witnessing the conscious or unconscious growth of new, top-level lobbying interests, economic in character, international in scope?

I should like to be reassured by the minister that this will not be the policy of the federal government, namely, to turn this tremendous power for good and evil into private hands. While here again the facts are quite obscure, we know there were many suspicious, let us say, of what was happening in connection with certain officers of the Eldorado Mining Company some years ago.

How does the government intend, by a system of controls, to see to it that there are no illicit operations in the selling of uranium oxide? How will the government police this operation without, to some extent, leading to that police state which we all deplore? Would it not be better, in the long run, to take over complete ownership of these materials now, rather than be compelled to do so later if, unhappily, we find ourselves in another war?

It may seem to be the easier and more facile way out of the difficulty to have control now; but I think, in the long run, the problem will become much more complicated. I do not think we are doing a service to Canadians by allowing this stimulus of profit to decide how much ore will be produced. I assume we need the maximum amount of ore which can be produced in this country for defence if for no other reason. Yet today we leave its production entirely to the stimulus of profit.

I do not share the easy optimism of those who, as I said before, believe that, through atomic energy, a new world is just around the corner. On the other hand I am inclined to share the pessimism of those who know what an atomic war would mean to the people of the world. And it is because I fear that eventuality that I should like to see entire control of all fissionable material and by-products, from their original source, in the hands of the federal government.

On December 17, 1945, as reported at page 3703 of *Hansard,* when discussing the atomic energy declaration the Prime Minister said:

> If we are agreed on the ultimate necessity of some measure of world government to maintain world security, we should, by every means in our power, support and strengthen every agency of international co-operation and understanding which can help to make the world community a reality.

I think that, in this small action of the government, it has denied the words of the Prime Minister. Had the government been alive to the moral responsibility which it had to the people of Canada and of the world, it would have said to the united nations, "We are willing to transfer to any international organization the plant which we have in Canada for the production of fissionable materials, and also to surrender to that international organization the areas in which there are quantities of uranium oxide." There, at least, would have been a gesture of some value to a world which is becoming almost paralyzed with fear. It would have been the type of moral leadership which is badly needed; but the government is falling down on it. It may be suggested from the Social Credit group that this would be a surrender of sovereignty. Of course it is. We cannot expect to live any longer as a sovereign nation; and in any event I doubt very much whether this sovereignty we boast of is a reality or is indeed a myth.

Here again I quote from the Prime Minister from the same page in *Hansard*:

> The more deeply one ponders the problems with which our world is confronted in the light —"the terrible light," as Mr. Attlee said—of the implications of the development of atomic energy, the harder it is to see a solution in anything short of some surrender of national sovereignty.

Of course that is the answer in the long run. But I think the government has made an egregious blunder in carrying out its policy. Perhaps time will tell whether I am right or wrong. But in the meantime, at least I wish to register my opposition to this policy, and to hope that the minister will be able to answer some of the questions I have raised.

Mr. HOWE: The first question, I think, was as to the significance of the ten per cent content. That refers entirely to the degree of concentration of the ore which is offered for delivery. Eldorado ore is very low grade. It runs less than one per cent, and is concentrated to about thirty per cent. The government has specified ten per cent as the degree of concentration which it will expect before it can accept delivery. Otherwise it has no significance.

Then, so far as thorium is concerned, may I point out that thorium is covered by atomic energy control. There is no known deposit of thorium in Canada. It is known mostly in tropical countries. The greatest supply is in India and the next is in Brazil.

As to the price of $2.75 a pound, it is felt that a price should be stated which would govern for a considerable length of time, so

that prospectors would be encouraged, and would have some method of assessing the value of any discoveries they made. The price of $2.75 was worked out from the experience of Eldorado as a reasonable price for that purpose.

Then, my hon. friend has referred to prewar agreements between Eldorado—that is the privately owned Eldorado—and the Belgian company. I would ask him to remember that the entry of the Canadian company into the field of the production of radium cut the price of radium in two. I think there was for a time a selling agreement between the two countries, but certainly there was no selling agreement after the government acquired the company, and there will be none in the future.

Mr. COLDWELL: Has General McNaughton been consulted regarding this policy? I have before me recommendations and reports presented with respect to the proposed atomic energy commission. I notice that General McNaughton is quite specific in his reports which dealt with the agency's functions in relation to the location and the mining of ores. There was one section which impressed me when I read it some time ago, and I looked it up only a few minutes ago. I might say that this paper was prepared by General Andrew G. L. McNaughton of Canada, group leader; Professor Jacques Errera of Belgium; Captain Alvaro Alberto of Brazil; Doctor Bertrand Goldschmidt of France; and Doctor John E. Vance of the United States.

This section struck me as significant:

> Security requires international control and allocation of the quantities and locations of uranium and thorium separated from their deposit, time and place of processing and the size, use, and disposition of stocks. Without such comprehensive control of source materials there would be a serious risk of diversion or of the accumulation of stocks with a view to subsequent diversion or seizure. The policies governing this control must be specified in the convention. To administer them the agency must be given control of the source materials promptly after their separation from the deposits.
>
> Therefore, agency ownership must apply to all uranium and thorium from the time of removal.

Reading the various reports made at the time by different persons—and this is mainly General McNaughton's summary—it struck me that, no matter how small the amount of uranium there might be in a concentrate, there would be danger of leakage if this were in the hands of private companies. I should like to see the government responsible for this all the way through.

Perhaps the minister could tell us whether what he proposes is satisfactory to our representative on the atomic energy commission of the united nations.

Mr. HOWE: The two orders in council were revoked on recommendation of General McNaughton, who was at that time chairman of the atomic energy board. Since that time, General McNaughton has assumed other duties and has resigned as president and member of the board. His place has been taken by Doctor Mackenzie of the national research council. But General McNaughton was chairman at the time this was rescinded.

If my hon. friend will read General McNaughton's statement again he will notice that it recommends control of uranium from the time it is taken out of the ground. That is the purpose of the regulations, as first drawn, of the atomic energy commission. I explained a year ago, when the orders in council were extended, that it was the view of Canada that any attempt to control uranium in the ground was not useful, and that turned out to be the view of the atomic energy commission in New York. We are working in complete conformity with the findings of the commission, and we believe that the regulations—I have a copy of them here and I have no doubt my hon. friend has seen them—provide wholly adequate machinery for the control of uranium which is extracted from the ground.

Mr. ADAMSON: I understand that this new move by the government comes as a result of consultation with a committee and others who are experts in the Canadian mining field and in atomic energy. I think the government has taken a wise and sensible step; in fact, almost the only step it could have taken under the circumstances. It has acted on the best technical and expert opinion available.

The problem before us in Canada is to see that all possible deposits of radioactive material are discovered and then developed. Whether we would like it or not, the fact remains that the government—and this goes for any government in a democracy—is not competent to discover and develop any ore deposit. One of the big problems of the geological survey is, as they put it, not to find a mine, because that is not their function. Their function is to make the geology so well known that the individual prospector, who has found well over ninety per cent of all the known mineral deposits in Canada today, will be able to discover and subsequently develop mineral deposits in this country. Incidentally when the Eldorado Mining and Smelting Company was taken over and the government's policy made known at that time I advocated that the prospecting for and development of fissionable materials up to certainly the preliminary concentrate stage should be in the hands of those best able, in fact the only people able to discover and develop them, namely the individual prospector and the mining corporation. I am glad to see that the government has eventually come to that conclusion.

One of the things that this new move does is to put the Geiger counter into the kit of most prospectors. Today our knowledge of the fissionable materials in Canada is superficial. The discovery of the Eldorado deposit was in many ways a fluke. Gilbert LaBine at the time was looking for gold. The original Eldorado company was a gold mining company which had failed in operating a mine in Manitoba, I think it was; and it was only through Gilbert LaBine having a peculiar knowledge, a sort of sixth sense, which enabled him to detect a certain coloured stain on the ice of Great Bear lake that the Eldorado deposit was discovered. So it may be said that in many ways it was a fluke. If there are other deposits of uranium in Canada they are not known, and to prohibit the looking for these deposits and their development by individuals who are fortunate enough to discover them is not likely to lead to the discovery and development of more uranium deposits. It is essential that if there are other uranium deposits in Canada everything should be done to discover and develop them.

I think the government has taken the only sensible step in the circumstances. Whether the price is sufficient, no one in the house is competent to say. It would be difficult to say what the costs of concentrating U_3O_8 would be, and the government has set a price which is probably in the nature of a target price per pound. I hope that this will be considered a flexible price which may be varied to make possible and profitable the discovery of uranium or any other fissionable materials. There is, in my opinion and in the opinion I think of the atomic energy commission, no danger in having these deposits discovered or in producing the concentrates of uranium so long as the end product continues to be controlled, and I understand from the committee in the United States that there is no idea that the end product shall in any way be released from the most stringent control by the federal authority.

Mr. McCULLOUGH (Assiniboia): Mr. Chairman, I join with the hon. member for Winnipeg North Centre and the hon. member for Winnipeg North in protesting against the five-point program which the government

announced on March 16. Had I not been perfectly sure on other grounds that I was right in protesting against this policy, after listening to the Tory member to my right I am convinced I am right because we see that the government's policy is acceptable to him.

The development of atomic energy is still in its infancy. The success in breaking the atom so that it could be used for destructive purposes was heralded throughout the world as a discovery of equal importance to that of fire. Here we see a government right after the war, with the possibilities either of destruction or of peacetime use of that energy, ready to throw it into the hands of private enterprise where it will be promoted or retarded at the whim of such private enterprise. I take exception to that very principle because, for the good of the people of this country and for the good of the peoples throughout the world, I think we should undertake to develop atomic energy to its fullest. I cannot go so far as the hon. member for Winnipeg North and say that the peacetime uses of atomic energy may not come in our generation. I have read articles by well-known world scientists who hold the view that we may be able to use atomic energy in ten years. If we would go all-out and make an effort to use that energy for the welfare of the people we could find many uses for it in the matter of a few years.

Reference has already been made to the use of radioactive materials in determining certain functions in plant growth, and also in the field of medicine and surgery, where it is used to great advantage today. Therefore I want to register my great concern that this material be turned over to public enterprise to promote the development of it to the greatest extent possible. I should like to ask the minister whether the government has underwritten the production of all ore-bearing uranium oxide to the extent of $2.75 a pound. Will he tell the committee whether or not this is a low figure, and what is the possibility of a higher figure being paid? If a higher figure is paid in some instances, just how high is the government prepared to go? Here we have an instance of private companies going into exploratory work. They could very easily form a monopoly and hold back the production, thereby building up a sort of demand for it if the government should need it, and then request higher prices.

In conclusion may I say I feel that the government should reverse its program. Rather than attach our public development, or the development of these atomic uranium deposits to the skirts of the United States government, let us have our own policy and go all-out on public development.

[Mr. McCullough (Assiniboia).]

Mr. ZAPLITNY: Has the government any assurance that any claims staked by the private companies in developments of this kind will be developed? Is there any way in which the government is assured that the companies will not stake claims and then sit down on the job and keep other people from developing them?

Mr. HOWE: No, there is no such assurance, except that it is very expensive to keep claims under control. My hon. friend knows that a certain amount of development work is required to keep title to a claim alive.

Mr. ZAPLITNY: Is there any regulation providing that anything that is produced in these mines must be delivered to the government immediately, or is there an opportunity for stock-piling?

Mr. HOWE: It must be delivered immediately.

Mr. POULIOT: It seems to be the time to give some expression on this matter which is very important. We must consider it seriously. The minister holds Jupiter's thunder in his hand. What I appreciate of the minister is his serenity; he has not the sombre looks of General McNaughton. I would prefer to have the picture of the minister to one of General McNaughton, because the minister understands that atomic energy is most powerful, but he is not always making depressing speeches, undertaker's speeches, like some that we hear all the time. Life is sad, anybody might die suddenly; it is very sad, but that is the story.

Mr. COLDWELL: Particularly with the atomic bomb.

Mr. POULIOT: An atomic bomb may explode and kill many people. Until this happens, why should everybody have a sombre look? Every time the atomic bomb is mentioned, why not think of the happy possibilities of the whole thing?

An hon. MEMBER: Of being blown to bits.

Mr. POULIOT: My hon. friend is not serious. I suggest that the matter should be treated seriously, but not in the spirit of an undertaker. Besides that, I will point out to you, Mr. Chairman, that the minister is a qualified engineer. The hon. member for York West is also a qualified engineer. I am not, and the other hon. members who have spoken on it are not engineers. What do they know about the formula of the atomic bomb? They know nothing about it. They have seen pictures in the press and in illustrated periodicals the same as everybody else; they have seen the big cloud of smoke,

and afterwards they have seen the ravages of destruction. That is all they know about the atomic bomb.

Mr. ZAPLITNY: That is enough.

Mr. POULIOT: When we see a small part of atomic energy providing the power to move a big ship or a locomotive or an aeroplane or anything of that sort, then we shall have every reason to rejoice. During and before the last war, what did we hear about poison gas? Poison gas was invented before the first war. It was used in the first war. It happened that mustard gas killed some people in some cities of Europe between the two wars, but when the second war started there was an implicit agreement between the belligerent parties not to use poison gas, and it was not used by anybody.

Who knows about the use of atomic energy during a future war? In the first place, shall we have a future war? Why should we always have panicky speeches about a future war? We are not sure about it, and even if we have it will atomic energy be used by all the belligerent countries? We are not sure about it. Therefore we should have a better philosophy of life and, considering the power of atomic energy and realizing it, we should not always be afraid of it, because it may be a benefit to mankind, most people are hoping. Consequently, why should we worry unduly and make depressing and panicky speeches about the atomic bomb?

I have something else to say. I find it very pleasant that the present Minister of Trade and Commerce is the member of the cabinet who has atomic energy under his jurisdiction to a large extent. He knows a lot about it; he has contributed more than anybody else to the development of that energy, and I am sure that his earnest wish is that it may be used for the benefit of mankind at the earliest possible opportunity.

Mr. McKAY: All of us recognize that the second report of the united nations commission on atomic energy does not envisage control of radioactive ores by any international authority, but I cannot accept the government's view that it is a wise policy to permit the mining of uranium-bearing ores by mining interests which have no other interest in the matter than that of making fortunes for a few people.

I am not interested in profits for a few shareholders of such companies that may be interested in the production of these ores, but I am concerned about the potential economic value of such mineral-producing concentrates to the general public. The Minister of Trade and Commerce will say that the government still have control of uranium because they are the sole purchasing agents. I am sure the minister is quite satisfied that the purchase of concentrates by the government will give the federal authorities far from complete control over such mining development. This sort of control would not eliminate such possibilities as smuggling to other countries where higher prices might be paid than those offered in Canada.

Uranium can be of great economic value in the production of energy. I think that has been indicated in this house by men who should have some reasonable knowledge of that particular subject. It seems to me that if profits are to be made out of a rare mineral of this kind the people of Canada should be the beneficiaries from this great natural resource and it should be the heritage of all Canadians and not of just a few. I saw today a news item in a reputable paper, the *Christian Science Monitor,* from which I wish to quote some words spoken by so outstanding a physicist, Doctor Lyle B. Borst. This gentleman, I may say, was in charge of developing the Hanford plutonium plant in Washington during the war and is now directing the building of a nuclear reactor at Brookhaven national laboratory in Upton, Long Island, New York. He said:

> The industrial applications of atomic energy will be legion but will certainly not be immediate. There are too many problems to be solved in the meantime. But development of atomic power is one of the most direct and foreseeable future industries.

He says there are certain definite applications such as mobile power for ships, submarines and planes and probably a practical application of atomic power in many other fields. I suggest that in the development of atomic energy for power purposes there are unlimited possibilities. It may take five years, ten years or even a generation, but there seems to be little doubt that the energy from this source will be used in Canada some day, and certainly it will be used elsewhere. Because of this definite trend, which is, we know in its scientific value quite important, I feel that the government should control every avenue of its development. While a minimum price has been set for ores and concentrates, there does not appear to be any indication that a maximum has been placed on the price which may be paid.

This country has had some experience in the past in the alienation of natural resources to private interests, and it has not always made for better living standards among our people. Electrical energy has been one of these

resources which have been exploited. It has been developed in many cases by private interests and later purchased by municipal or state bodies in order to protect the people from exploitation.

Private interests may develop uranium deposits along similar lines, but what guarantee is there that a monopoly may not shut out the small producer and then hold up the state when these ores are needed for vital economic development?

There the minister makes a reference to very special circumstances in which consideration might be given to the payment of a higher price by the government. I wonder what these very special circumstances would be. Would that possibly envisage the probability of war? We hope that will never occur, but if a war did occur we know that the atomic bomb would certainly come in for definite use. And if a war comes, it does not seem to me a very safe prospect to hand over the production of uranium, which is so important in the production of atomic energy, to private enterprise.

I think we should seriously object now, as we certainly should during a war period, to the paying of higher prices for an essential ore just to make it possible for shareholders to make profits when the nation is, in all probability, fighting for its life.

No one has any right to profit from war. We had an experience in the last war when profiteers were oblivious of everything else. Apart from war, however, which we all hope will never come, our quarrel with this situation should be definitely on the basis of the great economic value of this mineral, and because of that I feel that it should remain in the hands of the people. I therefore strenuously oppose the revocation of these orders, making it possible for private enterprise to get control of so important a commodity.

Mr. GREEN: May I ask the minister a question? Is there any indication that atomic energy will be usable to replace such commodities as coal and oil, of which Canada is in such short supply at the moment?

Mr. HOWE: We all know that the fission of uranium does release a tremendous amount of energy. Ways and means of using that energy are being studied at the moment, but it is too early to say positively what its economic uses may be. In the United Kingdom it has been announced in the House of Commons that plans are under way to utilize the heat transferred from fission as a means of heating, but here we are not far enough advanced to make an announcement of the kind.

[Mr. McKay.]

Mr. GREEN: We have not made as great progress along that line as the United Kingdom?

Mr. HOWE: I would not say. I do not know what progress they have made. They have made an announcement, and I would not be prepared to say that atomic energy would compete with either coal or electrical power from an economic point of view. The economics of the United Kingdom are somewhat different from those of Canada in that regard.

Mr. PROBE: I am definitely in agreement with other speakers of our group. I have opposed the rather casual way in which the Minister of Trade and Commerce treats the subject. I am getting used to the casualness with which he can dispose of economic empires in this country, doing it with a simple shrug of the shoulders or a wave of the hand. I happened to be sitting in this chamber about two and a half years ago, in August, 1945, when the Prime Minister of Canada made a statement during the meeting of provincial premiers, which startled, I am sure, all those within the sound of his voice. He made a pronouncement, which was startling to all the world, with respect to the first destructive action upon humanity that had been recorded so far as the material about which we are now speaking is concerned.

For that reason, or at least because of the impressions left with me and the feeling that we have not had a sufficiently broad statement from the minister as regards the military protection we are to have in connection with letting everyone who will, or who can afford to do so, dabble in this material under the limited protection the government is giving us, the people of Canada, I must protest against what looks to me like the selling of another important military commodity. I am not concerned at the moment about the details of economic development. I know nothing about it, and I know nothing about any phase of this work except that we are again selling or allowing to be given away something which belongs to the people of Canada. Yesterday a motion was moved to adjourn the House of Commons to discuss what was a matter of great import to all the Canadian people. Today with a shrug of the shoulders we are to give away something that would protect us.

I wish to ask a concrete question of the minister. I want to know just how much money has thus far been spent by the government of Canada for the purchase of property, equities in properties, mines or anything that is connected with uranium oxide or other radioactive materials that were purchased by the government before, during, or since the

war. Then I want to know how much has been spent by the government for development since the acquisition of these properties. Then, what additional has been spent by way of assisting prospectors to find the materials? I might say that I am not opposed to an individual or a group of small individuals prospecting and finding materials for sale to the government, as was mentioned by the minister. But I certainly fear the cartel or larger corporation which, by stock manipulation and otherwise, will squeeze out the small man who finds the materials which have the value that these radioactive substances appear to have. I fear that then somebody in a swivel-chair will dictate policies to the Canadian people with respect to price and everything else. Would the minister give us some idea of how much Canadian money has been thrown around in this manner?

Mr. HOWE: I know of no Canadian money that has been thrown around. Canadian money has been carefully invested.

Mr. PROBE: That is better still.

Mr. HOWE: Great precautions have been taken. I think there is on record in this house about all the information I can give in the matter of government policy. The hon. member asks how much has been paid to encourage prospectors. All afternoon I have been trying to say that for several years we have been forbidding prospectors to look for uranium.

Mr. PROBE: Then the amount is nil. That is fine.

Mr. HOWE: Well, it is nil. My hon. friends in the C.C.F. group seem to imagine great fortunes coming out of the search for uranium. I have no such fear.

Mr. PROBE: There are great fortunes coming out of the search for everything, under certain conditions; I do not mean for the individual who does the searching.

The DEPUTY CHAIRMAN: Order.

Mr. HOWE: I have never learned that there are many wealthy prospectors for gold, although there are a great many persistent gentlemen who have been following that vocation for a good many years. I sincerely hope that we can get the same calibre of prospectors interested in the search for uranium. Just as the government sets the price of $35 an ounce for gold, we have set a price $2.75 a pound for U_3O_8, we believe that the compensation is relatively about the same. By that offer we hope to lead to prospecting which will discover new sources of wealth for Canada.

Mr. PROBE: Surely the minister is not making the statement that that goes to the prospectors.

Mr. HOWE: It may be said that we have tremendous wealth in our Northwest Territories. It may be there, but it is not of much value until we find it.

Mr. PROBE: Agreed.

Mr. HOWE: The purpose of government policy is to lead in the direction of discovery of important deposits of uranium. At the moment we know of only one. We think there are others. We have found prospects which may be valuable when we open them up. We do not know. But we hope that over the years—and in not too many years—we shall find other important deposits of uranium in Canada. It is with that objective that the present regulations are framed.

Mr. KNOWLES: May I ask the minister just one administrative question? These orders in council that have been revoked were listed as being under the Department of Mines and Resources. Do we understand now that everything in connection with radioactive materials and the development of atomic energy is under the minister's department, so far as the government is concerned? By that I mean under the Department of Reconstruction and Supply.

Mr. HOWE: It is all under the direction of the atomic energy control board.

Mr. KNOWLES: Is there any division of the department or any controller that has anything to do with the matter?

Mr. HOWE: Except the atomic energy control board, which has the control of fissionable material.

Mr. KNOWLES: And the atomic energy control board comes under the direction of and is responsible to the Minister of Reconstruction and Supply?

Mr. HOWE: It is responsible to parliament. Parliament framed the act. It reports to parliament through the Minister of Reconstruction and Supply, yes.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed from Tuesday, March 16, consideration of the motion of Mr. Howe for the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): I wish to conclude, Mr. Speaker, what I was saying the other night about this bill. It seems to be a socialist measure, and there are no half-ways with respect to free enterprise and socialism. A measure cannot be half socialist and half free enterprise. It must be either socialist or free enterprise, and this is why I again urge the Minister of Trade and Commerce (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner) to consider the desire of the farmers of Canada not to have oats and barley under the wheat board but to leave them to be dealt with by free enterprise.

The suggestion has been made by the Canadian Federation of Agriculture that these grains be handled by the wheat board. Some people are impressed by the word "co-operative". In a committee of this house we have seen what was done by a co-operative in the west; but I can tell you, Mr. Speaker, that in my constituency there are co-operatives of farmers who buy their grain from private dealers instead of from the Coopérative Federée, and the price they pay is five or ten cents less than they would have to pay the co-operative. Whether that is because the co-operative is not well administered, or what is wrong, I am not in a position to say; but if one compares the prices of the private merchants with those of the co-operative it will be seen that the prices of the private grain dealers are lower. This is why some co-operatives in my constituency are dealing with private merchants instead of with the Coopérative Federée.

Mr. KNIGHT: May I ask a question?

Mr. POULIOT: I have only five minutes remaining, but I will answer the question.

Mr. KNIGHT: Does the particular co-operative of which the hon. gentleman speaks pay dividends?

Mr. POULIOT: I am not in a position to answer that question, but I tell my hon. friend that I had representations from this organization asking that they should not be required to pay taxes. The local merchants must pay taxes, but the Coopérative Federée is reluctant to do so, and I had some correspondence

[Mr. Howe.]

with them about the matter last year. I am not at all opposed to co-operatives. It is all right for the farmers to join together. But farmers are intelligent; they know where to buy, and very often they buy from local merchants instead of from an organization like that. This is my experience; this is what I learn from the farmers of my constituency.

In conclusion, once more I wish to tell my hon. friends of the Social Credit group that I do not want to offend anyone. I do not believe in their doctrine, but I know they are very good members of the house and they have the right to their views just as everyone here has a right to his views. In this matter I believe we should be sufficiently open-minded to consider what is best for the people concerned. I have tried to be the interpreter of the feelings of most of the farmers of my constituency in this respect. I can tell you, Mr. Speaker, and hon. members of this house that if they consider the matter objectively they will realize that free enterprise has been the salvation of the farmer as well as of all other individuals. It is the best system. So I make a last appeal to those who sponsor this bill, and ask them not to bring coarse grains under the wheat board.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, I do not suppose I shall take even until six o'clock, even though only fifteen minutes remain. I only wish to record my position with respect to this measure. As I see it, three principles are involved in this bill. The first is the establishment of a pension plan for those concerned with the operation of the wheat board. With respect to that, I think probably it will be unanimously accepted, and certainly I am in favour of it. The second principle dealt with by this legislation involves an increase in the payments to farmers for deliveries of wheat. Again I should think this would be accepted unanimously, and certainly I am in favour of this principle as it is expressed in the bill.

The third feature, however, with which I cannot agree, makes it possible to institute a state monopoly in nearly all grains produced in Canada. In that regard I wish to say only that I am opposed to this socialist principle. I do not follow the hon. member for Temiscouata (Mr. Pouliot) in most of his statements, but I agree with his opposition to the introduction of this state monopoly. I realize, of course, that this bill does not actually institute a monopoly. It does make that possible, however; and because I know that if it were introducing a monopoly I would have to oppose it, I believe I should declare myself now as holding this view.

I do not know that such an expression of opinion makes very much difference, but it seems to me that I owe it to myself and to my constituents to make this statement. I was not elected here to bring about the institution of socialism. On the contrary, I was elected in opposition to such an idea; and until my electorate decides to have another sort of representation, or that it wants socialism, I feel that, in order to be true to the people who elected me, I have to oppose any measure which carries out the principle of state monopoly.

When it comes to voting I feel in a sort of quandary, and I imagine all hon. members who have similar views will feel as I do. I am strongly in favour of the provision for an additional payment to the farmer. I am also in favour of the pension provisions contained in the bill. I am in opposition to the third principle, as I have indicated. I believe that probably the bill should be supported and sent to committee, and that is the way I expect to vote. I do so on the understanding that in committee the bill will be divided into two parts and will come back to the house in two pieces, so that the provisions with respect to pensions and increased payments may be dealt with on the one hand, and the matter of state control considered by itself on the other.

I have spoken in this way only because I feel it is a person's duty to make his views known at some time. I have kept my remarks as brief as possible, because I believe it is a duty to the house to allow hon. members to get on with this legislation which, clearly, has majority support in the house.

While I have kept my word in saying that I did not think I would speak until six o'clock —and I observe I have not—I believe I have placed before the house briefly my views on the subject, and I thank hon. members for listening. With that I conclude.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, before the measure is passed or voted upon, I wish to take a few minutes of the time of the house to summarize our position with respect to the various features of this bill.

The measure before us is one to amend the Canadian Wheat Board Act. This bill has four distinctly different features. Some of these we support. One we could support, with one variation in it; and the fourth we find ourselves unable to support.

The first feature of the bill is that which provides a pension fund for the officers and employees of the board. The second gives power to the board to pay to wheat farmers a part of their own money which the government has been holding back from them. The third feature of the bill gives the wheat board the same powers to handle wheat products that it now has in respect of wheat. I presume those wheat products include flour, bran, shorts and the like.

The fourth feature of the bill is one which would force farmers who grow oats and barley to sell those crops only through the wheat board, and thus to accept prices fixed by a government-appointed board, and administered by the same government-appointed board.

With respect to the second and third of these features, as I said a minute ago, we are in agreement. In the matter of pensions to officers and employees I may say that we agree in principle, but we differ as to the manner of assessment of costs for the half of that scheme not borne by the employees. Then, with respect to the fourth feature, namely the one which compels farmers to market through one board, and denies them the right to sell in any other way, we are opposed. We are opposed because, as I said, it forces them to sell to only one board. We are opposed because, in our judgment, by our forcing them to sell in that way they will be forced to accept a price lower than they might otherwise receive.

I wish to discuss each of these four features as briefly as I can. As to the general question of the desirability of pensions for public servants, I believe there is general agreement as to principle. But as to who should pay a part of the cost of that service, there is a good deal of difference of opinion as to where the assessment should be placed. The question before us is not one as to whether it is desirable that the employees of a public institution such as this should qualify for pension. Rather, the pertinent question is this: Who is to pay the cost of those pensions? These are costs which may run into scores, perhaps hundreds of thousands of dollars in the years ahead.

The bill proposes that half the cost of the pension scheme shall be borne by the officers and employees themselves. With respect to that feature, I imagine that there will be substantially unanimous support, as there will be to the general question of providing pensions. If other public or semi-public bodies such as this are to have pensions provided to their employees, there is no reason why this one should not. The question is: Who should be assessed with that part of the cost which is not borne by the employees themselves? That question raises a basic point, namely, as to whether this is a farmers' board charged with responsibility and accepting the responsibility for marketing the farmers' wheat to

the best advantage, or whether it is a government board charged with the responsibility of being used for something other than that purpose.

If this is a farmers' board charged primarily with the marketing of farmers' crops, farmers' wheat, to the best advantage, then this half of the cost should be assessed against those doing business with the board, namely the farmers of Canada.

Your Honour, I see it is six o'clock.

Mr. HOWE: If I may be permitted a word before six o'clock, I am sorry to say I have an engagement of long standing for this evening. It is my first offence this year, and I hope hon. members will bear with me. It is the wish of the government that at eight o'clock the house resume discussion of the emergency legislation of the Minister of Finance, with respect to excise tax, and to continue this debate tomorrow.

On motion of Mr. Bracken the debate was adjourned.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

BUSINESS OF THE HOUSE

Mr. ROSS (Souris): Mr. Speaker, at six o'clock the leader of the opposition (Mr. Bracken) had not finished his speech and just after six o'clock some of us attempted to make an arrangement, off the record, so that he would have an opportunity to conclude his remarks. He cannot be here at eight o'clock this evening because he has an appointment, but whatever the government leader decides will be satisfactory provided that the leader of the opposition can conclude his remarks.

Mr. GARDINER: Mr. Speaker, it was arranged before dinner by representatives of the different groups that we would continue the debate on the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, until the hon. member for Selkirk (Mr. Bryce) had made his speech and that then the debate would be adjourned. If that is agreeable to the house, the hon. member for Selkirk might proceed now.

Mr. KNOWLES: Is it understood that the right of the leader of the opposition to resume his speech later is protected, or just what is the arrangement?

Mr. GARDINER: I understood from the hon. member for Souris that the leader of the opposition is prepared to continue in committee with what he has to say, and the arrangement was that the hon. member for Selkirk would resume the debate tonight and that when he had finished the hon. member for Ottawa West (Mr. McIlraith) would adjourn the debate.

Mr. ROSS (Souris): If it is the government's desire I presume that the leader of the opposition will finish his remarks in committee, but in all fairness I suggest that when the hon. member for Selkirk has finished his remarks one of our members should be allowed to adjourn the debate.

Mr. DEPUTY SPEAKER: I should point out to the house that the leader of the opposition has already spoken and that if the debate continues now he would not be allowed under the rules to speak a second time on second reading.

Mr. ST. LAURENT: I would hope that there would be unanimous consent to allowing the leader of the opposition to finish his speech.

Mr. KNOWLES: There will be so far as we are concerned.

Mr. DEPUTY SPEAKER: Just so that the record will be clear, I understand that it is the unanimous desire of the house that the leader of the opposition be allowed to continue his speech after the hon. member for Selkirk has spoken.

Mr. ABBOTT: Agreed.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed consideration of the motion of Mr. Howe for the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, it is not my intention to prolong this debate, because I am just as anxious as anyone else in the house to see these cheques go out to the farmers, and therefore I shall be brief.

Let me say at the outset that I do not see why these cheques cannot go out before the bill is passed. The Minister of Finance (Mr. Abbott) can impose taxes and make arrangements for collecting them before a bill for that purpose is passed, so that in an emergency like this, when the farmers are waiting anxiously for this money, I do not see why the cheques could not be sent out now and the bill be passed later.

The second part of the bill has to do with pensions for the employees of the wheat board. I have sat in my seat and listened to criticism of that proposal by different members. But the wheat board is really the farmer in business; I personally have always been in favour of a man having some security for his old age, and I do not see how the farmers can take any exception to pensions being provided for the employees of the board. If we employ people to do our business it is only right that we should pay them and treat them fairly. But I should not like to see the minister have the whole say in this matter. I should like to see half a dozen farmers on the advisory committee of the wheat board have some say as to pensions, in order that the interests of the farmer may be safeguarded and the pensions paid in a fair way. The Canadian National Railways has its pension fund and the Canadian wheat board is, in many ways, a similar institution, so that I do not think we can take any exception to providing pensions for the employees of the wheat board.

The third part of the bill, which would bring in barley or oats, is the most contentious part of the bill. Many members object to it and some members are in favour of it. Personally, not only am I in favour of it but I do not think it goes far enough. I cannot understand some of the objections that have been made against the wheat board. My good friend the hon. member for Temiscouata (Mr. Pouliot), who is not in his place at the moment, has condemned the wheat board over the distribution of feeds, something with which the wheat board has absolutely nothing to do. I have been the guest of the hon. member for Temiscouata before and have an invitation to go back again, and I intend to go back and try, by reasoned argument, to show him how the wheat board will be an advantage not only to the west but to the east as well.

The hon. member for Calgary West (Mr. Smith) and the hon. member for Winnipeg South (Mr. Maybank) were clear-cut in what they had to say. They have no use for the wheat board. They prefer a speculative system.

My good friends the hon. member for Lake Centre (Mr. Diefenbaker) and the hon. member for Portage la Prairie (Mr. Miller) did not commit themselves. I have read over their speeches and I see that they want whatever method will give to the farmer the greatest advantage. I think that sums up their position fairly, but really I cannot understand two hon. members who have been raised on the prairies not being able to make up their minds as to which method will be best for the farmer. I gave them credit for more intelligence and for being able to come to a decision as to which method would be best for the farmer.

Most hon. gentlemen who have spoken against the wheat board have been lawyers. They have pointed out how the farmer will lose his independence if we adopt the wheat board. I cannot understand how a lawyer should take that position, because lawyers belong to the strongest union in the world. They are dictated to by the bar association. They are told what they shall do and what they shall not do. When it comes to the farmer organizing for himself and trying to do something better than he has ever done before, what happens? It is said that you are taking away the farmer's independence. That argument will not hold water. The farmer has organized to protect himself. He is doing only what other people have done, and why it should be wrong in his case I cannot understand. If the farmers vote by a majority that they want to market their grain in that way, then it should be logical for them to do it in that way. When it is pointed out that by having a wheat board, we are taking away liberty of the farmer, I can only point out what the lawyers' union would do. If a lawyer breaks any of the rules of the bar association they will unfrock or ungown him; I do not know what they call it. They will deprive him of his living. But no farm organization has ever tried to deprive anybody of his living. The farm organizations have tried to raise the standard of living of the farmer, and we should not endeavour to throw cold water on the wheat board. The wheat board is not everything I should like to see, but it is something better than we had before, and I hope we shall have more of it in the future.

The hon. member for Winnipeg South (Mr. Mutch) talked about the Canadian Federation of Agriculture. He can correct me if I am wrong, but I think he said forty per cent of the farmers belonged to it. I want to assure the hon. member that the last survey showed that the Canadian Federation of Agriculture have over fifty-five per cent of the farmers of Canada on their books.

Mr. MUTCH: I am sure the hon. gentleman would not want to misquote me. I think he will find that I said I doubted whether the Canadian council of agriculture and other farm organizations spoke for forty per cent of the farmers. There are live locals and there are others. If you look at some of the protests I think you will find the names of many local directors of the local pool.

Mr. BRYCE: I can assure my hon. friend that he can speak for the dead ones if he

wishes, but I am speaking for the live ones. I have authentic information to show that the Canadian Federation of Agriculture speaks for fifty-five per cent of the farmers of Canada today, both east and west.

Mr. MUTCH: You can assure me but you will not convince me.

Mr. BRYCE: I do not know whether my hon. friend asked me a question or not. I have never pitted my strength against a lawyer yet, because I know I would be beaten.

Mr. MUTCH: On a point of privilege, I have been accused of being a lawyer many times, and I have resented and repudiated it. I am not a lawyer.

Mr. SMITH (Calgary West): On a point of privilege, I want it known that there are lawyers, members of bar associations, and then there are barber shop and barrack-room lawyers here to whom we are listening all the time.

Mr. BRYCE: I did not think I was insulting my hon. friend tonight. I have always respected the lawyers. I may get into difficulties some day and may need to use a lawyer. Therefore I do not want to be too hard on them.

It has been said that professional men get to the top of these farm organizations as leaders. I want to correct that misapprehension. I am one of the men who have climbed to the top of the Manitoba federation. I did not do that in one year. I started in the local organization and went to the district organization, then to the provincial and right up to the top. You do not do that unless you have the confidence of the people whom you represent. To say that they are just figureheads or professional leaders is not true. I do not want hon. gentlemen to believe that, because it is not true. You have to climb that ladder and have the support of the farmers who send you there before you can go that distance.

I regret that the Minister of Trade and Commerce (Mr. Howe) has not seen fit to include rye in this bill; it should have been included. Speculators in rye raised the price to $4.05 a bushel. Until last year the miller paid 64¼ cents a bushel for his rye, and the speculator was paid out of the consolidated revenue fund of Canada. Somebody may say to me, "Well, the farmer got his share of that". I am going to ask, what percentage did he get? He did not get the percentage that the speculators got. As most hon. members know, I am against the speculators market. I do not think it is the right and proper way for the farmers to sell grain. It might have been all right in 1903 but not today.

Three groups are interested in the speculative market. There are the farmers, the millers and the grain handling firms. You must have the speculators to buy hedges. The speculative market cannot operate unless you have the speculator to come in. Have hon. members considered who the speculator is? A survey was made on the Chicago board of trade of the people who were carrying on speculation to keep the farmers' price going up and down, to take up the hedges. When the government looked to see who was trading in wheat on the Chicago board of trade one day last fall they found, amongst the 3,287 speculators, six clergymen, twenty-four students, six butlers and maids, 308 housewives, 846 farmers, 181 barbers, butchers and bakers and even 44 unemployed.

Mr. ABBOTT: No lawyers?

Mr. BRYCE: The minister does not want me to tell him about the lawyers; I shall let them go this time. I know a great many commissions have sat in my province—I think there have been about eighteen altogether—to look into the marketing of grain and inquire into the futures market. All of them have either approved or condoned the futures market or the futures trade. The fact that so many inquiries have been held in such a short space of time is definite proof that the speculative grain market has failed to give the farmers satisfaction. Can hon. members imagine what would happen if other people had to depend on speculation in a market like that for their bread and butter?

May I quote what I heard another man say, and I have tried to copy it as correctly as I could. Speaking of the results that would follow if everybody were in a speculative market, not only the farmer but everybody else, he states that the effect would be something like this:

> Let us suppose that other classes of people in Manitoba obtained their financial rewards under a speculative system. The results would perhaps be something like this: We would read in the morning's paper that with few exceptions, the market is weak all along the line today. May carpenters were quoted steady to 25 cents off. The market for July plumbers lacked serious support and reacted to a persistent try by short sellers by dropping 30 cents below yesterday's average. Or we might read that weakness was most pronounced in the barber's pit, where the price of December haircuts dropped 30 cents, while plain shaves for December delivery decreased five points to 15½ cents. Or we might read that the only strong point in

the labour market was in stenographers, where a squeeze put the price up to $25 a week. Or let us suppose that our Manitoba farmers were to read in the morning paper that May tractors showed a decline of $75 from yesterday's final quotations, or that January refrigerators dropped $40, or spot seed drills were steady at $8 below yesterday's closing. Or it may be that we would read that an unusually large crop of doctors graduated from Canadian universities, and as a result the cost of appendix operations dropped $10 in the medical exchange this morning.

All this may be considered amusing, but such are the conditions under which the farmer is expected to market his produce by those who champion the speculative system in normal times. Many farmers believe what the late President Roosevelt said:

Over-production, under-production and speculation are three evil sisters. Over-production and under-production are about as good for speculators as overindulgence or undernourishment is to the medical profession.

I had the pleasure of being at Lake Success when that great little fighter, the late Mayor LaGuardia, spoke at the food conference. The leader of the opposition (Mr. Bracken) was there and so was the Minister of National Health and Welfare (Mr. Martin), when that gentleman spoke and condemned speculation. And, by the way, I may say that when I was at the united nations I paid my own expenses. I do not want anyone to get the idea that somebody else paid them.

Mr. MacNICOL: You deserve credit for that.

Mr. BRYCE: Here is what the late Mayor LaGuardia said:

"You cannot have both stability in prices and security for the farmer as well as fluctuation in prices. It is no use saying that we are not going to interfere with free exchange and free sales. If you want what is needed," Mr. LaGuardia warned, "you will interfere, and you will put every gambling grain exchange out of business in Chicago, Winnipeg, in Liverpool or wherever it exists."

There were fifty-four nations represented around that table that morning. Nobody spoke against that statement, and Canada was represented there. If we disagreed with that statement, our representatives should have stood up and condemned it and declared that we wanted a speculative market. No one advocates that any other producer of goods should sell his produce on a speculative market, because he would be at the mercy of the speculator. I am sure no one would expect the Cockshutt Plow Company, Massey-Harris, or any of the other manufacturers to sell their goods on a speculative market, and I do not think the farmer should be expected to do so.

While there has been rumblings in the west and grumbling about the price paid for wheat, and dissatisfaction in more ways than one, the idea of a central agency to handle grain has had the approval of most of the western farmers. I think that has been pretty definitely agreed to, that the farmer in the west wants orderly marketing through a grain board or a cereal board, call it what you like. But if we are ever to build up that ever-normal granary to provide for drought years or grasshopper years, we must get away from speculative marketing and get down to orderly marketing through a wheat board or some organization similar to that.

On motion of Mr. McIlraith the debate was adjourned.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house in committee of ways and means, Mr. Macdonald (Brantford City) in the chair.

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

1. Effective on and after November 18, 1947, an excise tax of 25 per cent is imposed on the following goods:

(a) The following electrical appliances: waffle irons; roasters; kettles; chafing dishes; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs, hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; garbage disposal units;

(b) The following electrical appliances when adapted to household use: food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;

(c) Electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs;

(d) Firearms except for military or police purposes;

(e) Outboard motors;

(f) Motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles specially designed for carrying goods or for use by invalids;

(g) Projectors for slides, films or pictures designed for industrial or professional photographers' use;

(h) Toilet articles of all kinds (including combs, mirrors and brushes other than tooth brushes or shaving brushes the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than

twenty-five cents each) and which items do not already come within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on $1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one per cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

The CHAIRMAN: Shall the resolution carry?

Mr. MACDONNELL (Muskoka-Ontario): When we last had this resolution before us I had pointed out to the minister that in his opening speech he had said that the main purpose of the new taxes is to save United States dollar exchange. Other reasons were given, but I suggested to the minister that we should not be asked to vote on this resolution until we had some estimate—and after all, some months have elapsed now since it came into effect—of the amount of United States exchange which is, in fact, being saved. I suggested, as best I could, a certain method which the minister might follow, and I am bound to say he did not think much of it. I also suggested to him that no doubt his officials would have a better method of doing it, and I hope that tonight he will be able to give us some figures. I might remind the minister that there were three or four reasons given for the passage of the bill, to be founded on the resolution, but this was the first and most important, and I suggest that some figures should now be given the committee.

Hon. DOUGLAS ABBOTT (Minister of Finance): Following the discussion we had some days ago when this matter was before the committee, I discussed it again with the officials. I am sure one cannot give in dollars and cents the saving of United States exchange which might result from the imposition of deterring taxes of this kind. Of course the initial saving in articles that are subject to the tax will come as a result of the operation of schedule III of the import restriction bill. There will be an incidental saving, and an incidental saving only if the tax will then slow down the consumption of the articles which are being manufactured in Canada and which are already subject to some control, shall we say, by the operation of schedule III.

I do not suppose one can yet say that there is any backing up of sales of, let us say, automobiles. In the case of automobiles, schedule III, through the foreign exchange control board order in council, has been in operation for a matter of only two or three weeks. Therefore I again say that I do not see how, at this stage, I could possibly be expected to express in terms of dollars and cents what the saving would be. There is the second effect, as my hon. friend appreciates, which is desired, and that is the general slowing down of consumption in Canada in order to create again this over-all current account surplus of which I have spoken. I have asked my officials if they can give even a rough estimate of what effect this might have had expressed in terms of dollars and cents, and they tell me it is impossible to do so. I may have misunderstood what my hon. friend wanted. If I have, perhaps he will try to show me where I have misunderstood him.

Mr. MACDONNELL (Muskoka-Ontario): I will try. In the first place, I have a feeling as this goes on, that however much we may have disliked certain features of Bill No. 3, the embargo, nevertheless it has teeth in it and it can act. In connection with that we obtained, although with some difficulty, figures from the Minister of Trade and Commerce as to what the government thought it might achieve in the way of money.

Mr. ABBOTT: The minister said what it would do in the future.

Mr. MACDONNELL (Muskoka-Ontario): Yes. I appreciate that this is different. But nevertheless I still suggest that these figures could be obtained. First of all, I am surprised if this is being brought forward with no estimated figures of any kind. I wonder if the minister really wants to go so far as to state that. In the second place, I suggest that, while the embargo has been in effect for only a few weeks, this tax has already been in effect for a few months—actually since November last. Surely the saving which will be effected by this is, in effect, the saving by reason of the

slowing up, as the minister said a moment ago, of the manufacture of Canadian goods into which United States parts go. Are we in agreement on that?

Mr. ABBOTT: I think that is accurate. I would hope that the imposition of this fairly stiff tax of 25 per cent on a line of semi-luxury articles, shall we call them, would have the effect of getting people to slow down in their purchases. That is the intention. If this objective is not achieved, the tax will of course, have failed. But it will at least have this effect, that if people spend their money on these things, they will not have it to spend on something else and force the prices of those things up.

Mr. MACDONNELL (Muskoka-Ontario): The minister is now bringing in what I call his deflationary argument.

Mr. ABBOTT: That is all right.

Mr. MACDONNELL (Muskoka-Ontario): I think we want to stick to one thing at a time and that, when we are trying to assess one reason, we should not go off to another. I am not underestimating the difficulties, but I am saying and repeating, perhaps a little tiresomely, that I do not think we should be asked to go it blind in this thing. There should be some estimate. We happen to be in the position that the thing has already been in operation for three months. I now come back to my suggestion. My suggestion is that it is perfectly feasible to find the sales which were taking place in the classes of goods before November 17 and the sales which were taking place after that date, when the tax came into effect. I am not suggesting that is a perfect test. I know there are certain qualifications in that which the minister will want to make and which I might make for him. But I still suggest that these figures would give us some prima facie evidence as to whether or not any definite effect is being produced. Suppose it is found actually that the consumption of these things in Canada has been greater since November. The minister might say he expects to find them greater because of the cutting off of United States goods. I appreciate that.

Mr. ABBOTT: May I say—

Mr. MACDONNELL (Muskoka-Ontario): May I finish?

Mr. ABBOTT: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I suggest that this is a figure which could be obtained. I cannot think there is any difficulty in getting that because, after all, I understand the department from month to month, through its agents, visits the various companies and examines the taxation records; therefore they know the consumption, production and sale of the articles in question. The producers can equally well give the figures before November 17. Therefore I do not think the figure is an impossible one to get.

Mr. ABBOTT: It may not be absolutely impossible. I cannot say that it is. But the officials tell me that they cannot obtain or cannot yet give an accurate estimate of what the result is. On the question of cars and radios may I say this. I have had numerous discussions with representative groups of car manufacturers and radio manufacturers, because they are two of the larger groups. The car manufacturers do not claim that the tax has yet slowed down the consumption of cars. They tell me that they think it will. Whether they are right or wrong, I do not know. The same thing applies to the radio people. No one has contended to me that the sale of radios has yet been diminished. But the radio manufacturers who come in tell me that they are most apprehensive as to what the result will be in the near future. I tell them that I hate to say it but I am glad to hear that, because that is the sort of thing I am trying to accomplish with this tax. I wish I could give my hon. friend the figures. I think he will bear me out when I say that I am the last man who ever tries to keep figures from this house. If the information is available, I want to give it. But I have not been able to get from the officials, or they are not prepared to give me, an estimate which they believe can give any accurate indication of what the effect of this new tax has been on sales. I put on *Hansard* a week or so ago the total tax collections on this group, and I gave the estimated increased tax. Those are the only figures that the officials tell me they can give. To try to pull out of that what the sales would have been had the tax not been on, is something which the national revenue department tell me they cannot do.

Mr. MACDONNELL (Muskoka-Ontario): I suggest that the minister has really not said that these figures cannot be obtained. Rather what he has said is that he does not think the thing has gone on long enough yet to achieve the hoped-for result. He says he hopes that will come later. That is a perfectly legitimate hope. I say again that I realize the difficulty of the question I am asking; nevertheless I do not believe that it is impossible for these figures to be obtained.

I still suggest that these figures should be obtained so that we are not asked to vote on something absolutely blind, as we are now being asked to do.

Mr. ABBOTT: I am a little bit lost in this. I really would like to give my hon. friend the information for which he asks. Perhaps the officials could go into the figures and estimate what tax would have been collected had there been no increase and try to translate that into the number of units, and that could be applied to radios and automobiles. But this tax covers a much wider field than that. Suppose my hon. friend had that information. I do not wish to be offensive, but what good would it do him? What conclusion could he draw from it? After two or three months' operation, and with stocks in hand, I do not see what useful information that would give him.

Mr. MACDONNELL (Muskoka-Ontario): It seems to me that it is reasonable for me to say this: Suppose these figures are obtained and that they show that up to the present there is no sign of any saving in United States exchange at all.

Mr. ABBOTT: But we cannot tell whether it has saved United States exchange or not.

Mr. MACDONNELL (Muskoka-Ontario): I am not so sure. I am not under-estimating the difficulties, and I do not intend to persist in this unduly; but I still do not think the minister has told me that the figures cannot be obtained. What the minister has said is that he thinks that, when the figures are obtained, they will not show anything that will be enlightening. Maybe not. Maybe I shall have to admit that.

Mr. ABBOTT: I will tell my hon. friend this. I think the sales of radios, since this tax went into effect, have been just as great as they were before. I make that assertion. I do not know whether it is true but possibly it is the case. I am sure that the sales of domestically produced automobiles have been just as great. The purchasing power in this country is such, and the demand for automobiles at the moment is such, that people will buy them whether or not there is an extra 25 per cent tax. But one cannot judge the ultimate results of this on the initial one, two or three months' operations, and I do not believe any figures one would give as to tax receipts for the first two or three months would prove anything at all. I could give those figures; I gave them before.

Mr. MACDONNELL (Muskoka-Ontario): Not exactly the ones I am asking for. It seems to me that what the minister is saying is not that we cannot have those figures, but that he thinks they will not be any good to us if we get them. Coming back to what I said before, I would say that if the figures on automobiles and radios prove what he suggested a moment ago, namely, that there has been no reduction, I will frankly concede to the minister that this does not necessarily mean the tax is no good; but equally I say it does not prove the tax is good. In other words, surely the minister cannot ask us to vote for something without some further indication than just a kind of reasoning on general principles.

Mr. ABBOTT: Well, Mr. Chairman, the minister and the government proceed on the assumption that the imposition of a tax will have the effect which is generally accepted among economists and those who know something about fiscal methods; that is, that it will slow down consumption of the article which is taxed. Perhaps the wealth and spending power of this country are such that this tax will not have that effect. Perhaps the tax is inadequate; perhaps we should have made it 50 per cent or 75 per cent. I do not think so. I can only be assertive, but I believe the tax will accomplish the results, or will help to accomplish the results we are trying to achieve. If it should not, then, of course, it would have been useless to impose it, but I do not think we can determine that at this stage of the game.

Mr. MACDONNELL (Muskoka-Ontario): Then let me ask just one other question. I repeat that the reason I am being persistent in this is that I think you have already in your hands one weapon which is effective, and I have very great doubts as to whether this new weapon is effective. Also I have no doubt whatever that it is offensive to a large number of people.

There is another consideration which enters in here, and in this connection there should be a figure which can be obtained. That is, even if this slowing down process does occur, then coming back to our test in connection with United States exchange, all you are saving is the lowered amount of United States parts that go into these articles; that is to say, the lowered amount of United States parts that are used. Some of these things have a trifling amount of United States parts, and some have none at all. That is the other figure for which I asked the other night which, if it were found, I think might show that, as far as the saving of United States exchange is concerned, this measure is trivial.

Mr. ABBOTT: Surely I do not have to go into my reduction of consumption thesis again

and point out that if we are to continue to ship goods abroad on credit, somehow or another we must reduce our domestic consumption and create again this over-all current account surplus we have lost. The fiscal method is one way of doing that. My criticism of this tax, if I were speaking from the point of view of economics and were sitting across the way, would be that it does not cover a wide enough field; that it should cover more; that it should not be restricted to electrical equipment, cars and so on, but that we should go into a wider field. That might be a valid criticism; but when my hon. friend says it will not accomplish the results expected he is being assertive, and I can only be assertive and say I hope it will.

Mr. MACDONNELL (Muskoka-Ontario): The minister is now changing to another argument. It may be a good argument, but I want to bring him back—

Mr. ABBOTT: I know what I said in my opening remarks, but I am not tied to that as the only reason for which this tax is being imposed.

Mr. MACDONNELL (Muskoka-Ontario): No, you are not tied to it.

Mr. ABBOTT: No one will contend that.

Mr. MACDONNELL (Muskoka-Ontario): No. I have said there are several other reasons, but I think it proper to say the minister pointed out that this was the main reason. If the main reason turns out to be valid, then we are entitled to doubt the other reasons as well. I want to see what validity there is in this main reason, first of all. It may turn out that it is not the main reason at all; that there are other, better reasons; but I submit that we are entitled to find out if this main reason is a real reason.

Mr. ABBOTT: I can answer my hon. friend only by saying I think it is too soon for us to judge. In putting this forward, the government believes it will accomplish these results. The initial results of the over-all program have been good. Perhaps six months from now we shall be in a better position to see whether it is really doing what we hope it will. I wish I could give my hon. friend the figures he would like to have, but I do not seem able to do so. I cannot help that.

Mr. THATCHER: I will ask the minister perhaps a little easier question, if the hon. member for Muskoka-Ontario has finished. If we are able to cut the consumption of these things at home, I understand from the minister that we shall send the surplus to the United States, if possible, to try and get United States dollars?

Mr. ABBOTT: Not necessarily.

Mr. THATCHER: I believe the Minister of Trade and Commerce said that. But my understanding is that the United States customs authorities intend to take this 25 per cent into account when they put on their tariff.

Mr. ABBOTT: We dealt with that the other evening; but we are not shipping cars back to the United States.

Mr. THATCHER: It is not just cars I am thinking about. I have in mind refrigerators and all the other things.

Mr. ABBOTT: If we cut down the consumption of refrigerators and other articles which contain metal, we can sell the metal in its original form for dollars in the United States or anywhere else. That is one way whereby we can get United States exchange. Instead of using labour in Canada to convert the metal into things our own people consume, we shall sell the raw materials. We can sell all the copper, all the nickel, all the aluminum and so on, we produce; and we can sell it for hard currency.

Mr. THATCHER: Does the minister say none of the things in this schedule are being exported to the United States?

Mr. ABBOTT: We have pretty well taken out of the schedule those articles in which we have an export market in the United States. As I explained on earlier occasions, that was one reason we took out such things as hot plates, because some of our manufacturers have built up a market for those articles in the United States. The same is true of golf clubs. One may ask why we would take golf clubs out of the list. We found that some of our manufacturers had developed a profitable export market in the United States. The same thing applies to golf balls. That is why we took these sporting goods out of the schedule, because there were these export opportunities in the United States. But we do not and cannot export refrigerators to the United States; at least we never have done so. We have never exported cars to the United States. I do not know about radios.

Mr. THATCHER: Did the minister make representations to the United States authorities?

Mr. ABBOTT: Yes. If my hon. friend will look at page 2131 of *Hansard* he will see the explanation I gave the other evening in reply to the hon. member for Kindersley. We made

representations. Under the Geneva agreements the United States have undertaken to change their practice so that a tax of this kind would not be included for duty purposes. But that requires legislative action by congress, and until the legislative action has been taken, the United States customs authorities are obliged to include the tax. My hon. friend will find that information in *Hansard* as I have indicated; an hon. member from Toronto asked me the same question.

Mr. CASE: The farther we go, the more confusing this becomes. I have listened to the explanations given by the minister, and he has not yet put us in possession of any facts or figures to prove that this is right. In other words, it would appear that so far it has been a bit of guesswork, much the same as the last two budgets which have been presented to this house. Each made a forecast which was out by millions upon millions of dollars. It seems to me that, irrespective of what the minister says, the object of this is to raise more revenue; in any event that seems to be one of the results.

Mr. ABBOTT: We took off some taxes at the same time.

Mr. CASE: Let me say this, and I say it with great respect for the minister because he did give an explanation. I remind you, Mr. Chairman, that there are two schools of thought. One school believes this could have been done by leaving our dollar devalued and having the 90-cent dollar or the 81-cent dollar, or whatever it might be. The minister has explained that; and I suppose the same people are advising him now who advised him then.

Another explanation the minister gave was that, because of the trend toward inflation in the United States, he felt it was necessary to bring our dollar on a par with the United States dollar. May I ask this: Can the minister tell me why he would place our dollar on a par with the United States dollar, where it would buy a dollar's worth of United States goods and by the same token on November 17 reverse the position and say that the Canadian dollar was worth only seventy-five cents?

Mr. ABBOTT: I would love to debate this question of devaluation with the hon. member for Grey North, and I have already made several statements on it. However it is not strictly relevant to the committee's discussion of this ways and means resolution, and I think I must reserve that discussion to some other time.

[Mr. Abbott.]

Mr. CASE: All I am trying to get at is this. You have now devalued the Canadian dollar in the home market by the imposition of this excise tax. You are saying, "For numerous goods your dollar will buy only seventy-five cents worth; and the other twenty-five cents goes to the government."

Mr. ABBOTT: I will answer my hon. friend. We are exercising selective devaluation, not across-the-board devaluation.

Mr. CASE: Selective devaluation is resting in the hands of a group of bureaucrats. We have very little to say about directing their course. That same group are advising the minister, and they have got into effect this measure which has already been said to be unconstitutional. And you are going to depend upon the government's majority sitting behind you to pass it.

Mr. BENTLEY: I should like to ask the minister a plain question, one which is not quite so complicated as some of the others which have been asked. As I have come up to these buildings in the last few days I have seen some small cards in the windows of stores where magazines are sold. These cards read, "Back on Canadian newsstands, True Romances and True Story". How does that help us save United States dollars?

Mr. ABBOTT: I do not think it does. I imagine that the enterprising publishers of these delightful publications have arranged to put them out in Canada. I am only guessing, but I think that must be so. They are certainly prohibited, so far as entry into Canada is concerned.

Mr. BENTLEY: Still prohibited.

Mr. ABBOTT: They must be printing them here.

The CHAIRMAN: I must remind hon. members that we are dealing with the Excise Tax Act. Magazines do not come into this discussion; they do not come within the act, at all.

Mr. BENTLEY: I shall not ask the question again.

Mr. QUELCH: There is one question I wish to ask the minister. I have heard him say on many occasions that one of the reasons for putting on this excise tax is the fact that we are exporting on credit. I should like to ask him if he is absolutely certain that we are.

Mr. ABBOTT: I did not put it that way.

Mr. QUELCH: It means the same thing. We both mean the same thing. I should like

to ask him if he is quite satisfied that we are actually exporting on credit. I ask that because I heard the Minister of Agriculture say that these are not really loans, but rather that they are gifts which will never be repaid. Are we exporting on credit or are we actually making gifts of these goods?

Mr. ABBOTT: I answered that the other day in reply to a question by the hon. member for Kamloops. I said that these credits are being made under the terms of a contract which calls for repayment. As Minister of Finance, I expect that contract to be carried out. Of course, under existing conditions it would perhaps be unreasonably optimistic to expect all of this loan to be met at maturity. And there will unquestionably or probably be some loss. We set by each year in our accounts out of current revenue the amount of $25,000,000, I believe it is, in a reserve to take care of loss on inactive assets; just as businessmen would do. I cannot give my hon. friend any other answer.

Mr. QUELCH: All right. The minister expects at some future day that a large number of these loans will be repaid.

Mr. ABBOTT: I would hope so, yes.

Mr. QUELCH: So that all we need to do is to ask the people to defer their spending until a future day, or until such time as these nations pay for what they receive. Then these goods will be available for the people to buy. That being so, would it not be satisfactory for the government, as the hon. member for Peace River suggested, to float a loan to buy food for these countries, such loan to be subscribed from the savings of the people? I am not suggesting that the government should borrow from the banks, because that would mean an expansion. But would it not be possible for the government to borrow the savings of the people and in that way reduce the demand for goods, so as to make those goods available for other countries? Then, when those nations repay the loan the government will be able to repay the loan made from the people, and the people will have money with which to buy goods.

Mr. ABBOTT: That would be effective only if the floating of such a loan and subscriptions to it by the people resulted in effective reduction in consumption in this country; if the people, as a result of having put their money into these loans, and having no other money to use for the purchase of commodities, would be unable to or would voluntarily refrain from purchasing consumption or capital goods in this country or importing them from the United States. Otherwise we could float loans until we were blue in the face without helping our balance of payments position.

No one understands better than my hon. friend that the crux of this balance of payments difficulty is this, that we have ceased to have in this country an over-all current account surplus. In other words, we are consuming just about as much as we are producing.

Mr. JACKMAN: That is not the crux of it.

Mr. ABBOTT: Yes.

Mr. QUELCH: The minister has been putting forward to the people, or it was put to them at one time, that it was necessary for them to buy bonds in order to curtail spending. It seems to me that if the government were to carry on the same program, explaining to the people the necessity for helping foreign nations by supplying goods, and by asking the people in the lower income brackets to buy bonds for that purpose, it would not have to float loans with the people in the high-income brackets. Then the minister would agree that it would have the effect he desires, and probably it would do it more effectively than the excise tax.

Mr. ABBOTT: It is possible. The people bought these bonds during wartime, and rightly so, under wartime conditions. But now the war is over and a great many people naturally want to go out and buy new refrigerators, new radios, new washing machines and all the rest of it. That is a very natural thing to do. But unfortunately we are not yet in a position, because of these world difficulties, to which I have referred, where the people can fully gratify those wishes; that is, if we are to continue to play our part in helping in the recovery of the devastated countries.

Mr. SMITH (Calgary West): I wish to ask one or two questions. The first one deals with what has just been discussed by the hon. member for Acadia. It is this: Did I understand the Minister of Finance correctly a minute ago when he said, as I thought, that he figured these loans would be paid, although not altogether on their due date. Did I understand him to say that?

Mr. ABBOTT: I have said twice that they are made under terms which call for repayment, and I expect them to be repaid. It would perhaps be unreasonably optimistic to expect they would all be repaid. That is what I have said. And the portion that would not be repaid would be small. I have no reason

to think, for instance, that the United Kingdom would not live up to its obligations. She has always done so in the past. I expect she will continue to do so.

Mr. SMITH (Calgary West): I am sure she will, if she can. The point I make is this. Apparently the Minister of Finance takes the position directly opposite to that of the Minister of Agriculture, who told us in this chamber within the past three weeks that everybody knew that a great portion of these loans would never be repaid. Apparently those views have to be reconciled one way or another.

Mr. ABBOTT: It is a matter of opinion.

Mr. SMITH (Calgary West): I turn to the second question; and it is amazing to see me as an economist at the present time. But I do know these simple things.

Mr. ABBOTT: Probably better than the rest of us.

Mr. SMITH (Calgary West): The minister told us a few minutes ago that it was a well known law of economics that the higher the price, the less purchases were made; with which law I am in entire agreement. I think he will also agree that, having regard to articles in the luxury class of goods, those luxury goods would be purchased largely by people with plenty of money, and that the law would not apply, for example, as it would in respect of food and clothing. It ceases to have the same effect when you go up that stairway. That would, I think, be a correct statement.

Mr. ABBOTT: As a general statement I think that is all right.

Mr. SMITH (Calgary West): My general statement is just the same as the minister's, so that I think he will agree with me. We cannot get much closer than that. The suggestion I make to the minister is this, that he will at least admit that, in the four months' experience he has had with this excise tax, he sees no evidence that there is a saving from it in United States dollars or that there is not. Is that the position now?

Mr. ABBOTT: To be strictly accurate, we have been saving United States dollars. We have reversed a loss of $70 million by a gain last month of $13 million. How much of that is due to the tax, how much to direct controls, and how much to a number of other factors, I cannot say nor can anyone else, but it appears that the program is doing what it was intended to do. That is all I can say.

[Mr. Abbott.]

Mr. SMITH (Calgary West): That is not what I asked. It is fairly easy, you know, if you take it gently. All I ask the minister to admit is this. Aside from what he has just said, at the present time he has no evidence that this excise tax in these four months has saved United States dollars.

Mr. ABBOTT: And I never shall have evidence, because this is only one part of a three-pronged program, and I shall never be able to pin the gain on any one facet.

Mr. SMITH (Calgary West): Then, as a part of this austerity program the minister admits that he will never know whether this excise tax has succeeded or not. That is the statement he has just made.

Mr. ABBOTT: I shall have pretty good evidence when I see the exchange saving each month.

Mr. SMITH (Calgary West): Maybe you will, but a moment ago you said you would not.

Mr. KNIGHT: This subject is becoming somewhat technical and I do not feel competent to attack it on that level. I have been wondering what the housewives in the gallery and in the country think about this particular tax. I was thinking of it rather from the point of view of the family man. When the minister said he was well aware that he had not become a national hero through the imposition of this tax, I think he was making an understatement.

Mr. ABBOTT: I never thought it was a popularity gaining move, and I said so.

Mr. KNIGHT: This new excise tax does not bring much comfort to the already harassed consumer. I do not think I am competent to enter into a discussion of the constitutionality of the tax, although at school I did learn that a principle of British parliamentary procedure was that there would be no taxation without the consent of the people taxed; and I find it difficult to accept the only defence the minister could give for the imposition of this tax in his announcement over the radio on November 17, that the tax would be effective on the morning of the 18th or thereabouts, was that it was necessary, and that he hoped to get the consent of parliament to the imposition of the tax, which later on he told us is not a tax until it is passed by parliament. In the meantime, as has been pointed out by the various speakers, the tax has been collected, as most heads of families are very well aware. Incidentally the minister has not yet obtained the consent of this house to the tax.

and I am wondering what would happen in case the house withheld its consent, because I am not one of those who believe that refunds would be made on the basis of purchase slips because many of these purchase slips carry no record of the purchase. So far as I am concerned, I think the government's action was inexcusable, particularly for a government based upon a party which has always loudly proclaimed that taxation is the function of parliament and that the will of parliament is supreme.

There are two matters which I am advancing in the form of questions. I take it that the first main reason for this particular tax is to reduce in this country the purchase of goods we import from abroad or goods made up of parts imported from other countries. Many householders have been waiting for years to purchase these household goods which are now taxed heavily. They were urged during the war to purchase bonds to keep purchasing power out of the hands of the people; and now, when purchasing power comes into their hands and they thought they would have an opportunity to buy that refrigerator, they find they cannot do so because of this tax.

My question is this: If it were necessary to cut down the imports from the United States in order to conserve United States exchange, and it may have been, why would it not have been feasible or practicable for the minister by some method to see to it that Canadian manufacturers would not take advantage of that situation? Could there not have been a ceiling? There have been ceilings before. They were abandoned only a short time ago. Could a ceiling not have been reimposed on this particular type of goods so that people who, in perfect good faith, had co-operated with the government in the purchase of bonds, people in the small income brackets, would have been able to buy these goods which the minute the tax was imposed they found they could not buy because there was a competitive sellers' market in which the people in the low-income brackets could not compete. These goods were not available to people in the low-income brackets once this tax was imposed. That is my first question, whether it would not have been practicable to impose a ceiling on these things, and, if not, why, so that people in the low-income brackets could have obtained some of these goods and not have had to compete with people with more money.

My second question is this. I take it that one of the remedies for this situation would be the tremendously increased production of Canadian goods. I would ask the minister, and the government through him, why it was that a great amount of machinery for the manufacture of goods which had come into the possession of the country was scrapped or sold for a very small percentage of its value when, if the government is genuine in its belief that more goods are necessary in this country, such machinery could have been used for the production of these goods which, for years, the public had wanted and done without.

Mr. ABBOTT: First, as to the imposition of ceilings, that would have meant, in the view of the government, the resumption of practically over-all price control and the resumption of rationing, and it was felt that this was not feasible.

As to increasing production by additional machinery, there is no lack of production in Canada today because of a lack of machinery. Every bit of machinery is being utilized. One of the reasons we have lost a good deal of United States dollars has been the heavy imports of machinery from the United States. Not only are all the existing production facilities of the country being utilized but they are being rapidly expanded. I said, when discussing this matter the other evening, that possibly production could be increased in this country by increased efficiency and the working of longer hours and so on, but by and large we are working at nearly full employment now, and I question whether, with the existing manpower, the existing hours of labour and the existing techinques, the productive capacity of this country could be greatly expanded. Many of our essential production processes depend upon the importation of essential materials from the United States. That would have involved still further expenditures of United States dollars.

Mr. ZAPLITNY: I believe that, as the questioning goes on and the facts come out in connection with this matter it becomes less desirable. We were told definitely at the beginning that this was a measure to conserve that portion of import commodities in those commodities which are taxed and which may come from the United States. That was given as the chief reason by the minister on several occasions. Then, after some persistent questioning from this side of the house, another interesting factor came out, and was disturbing too, namely that the minister told us later another reason was that the government was anxious to preserve the market for United States businessmen who had been selling these commodities in Canada until the time that this matter came up. That was a revealing piece of information and one which—

Mr. ABBOTT: It did not come out after questioning. I pointed that out in my radio speech as an essential provision.

Mr. ZAPLITNY: We can be forgiven for not remembering—

Mr. ABBOTT: It did not result from any cross-examination by my hon. friend or anyone else.

Mr. ZAPLITNY: We can be forgiven for not remembering what the minister said over the radio, because it is such a long time ago; it is almost history; but it has come out now, and I am sure that the Canadian people—

Mr. ABBOTT: I take objection to the "now." It was announced at the same time that the program was announced.

Mr. ZAPLITNY: That is fine. I am sure that the Canadian businessman engaged in the selling of these commodities or the manufacturer who is engaged in manufacturing them will not thank the minister for that.

Mr. ABBOTT: You are not asking for protection, are you?

Mr. ZAPLITNY: No; you are giving the United States businessmen protection. If anyone is to get protection, then certainly our citizens are the first ones entitled to it.

Another thing that has come out—I will not say "now," because apparently the minister does not like that expression—through the questions which have been fired back and forth is that this policy is designed so as to discourage the buying of commodities in Canada, regardless of whether they have any United States import content in them or not. The minister has told us that. I believe it came out after questioning. What it adds up to is simply this. The government apparently believes that, by taxing the Canadian people 25 per cent on these articles, they will release that amount of purchasing power which would have gone into these articles, for the purpose of purchasing something else. I believe the minister will agree with that, because he has said on several occasions if they do not spend their money on these articles, then they will have that money to spend on something else, which he hopes will be essentials such as the things that go into production and even capital goods and so on. If that is the case, then the government must admit that they made a terrible blunder when they started decontrolling about a year ago.

It will be remembered that the first things that were decontrolled in this country—and all we have to do is look up the records—were what were called luxury goods. In other words, when the time for reconversion was on its way in this country, when there was an opportunity to direct the economy toward the production of essential commodities, what did the government do? They took price control off these commodities which were non-essential; they took controls off luxury commodities—

The DEPUTY CHAIRMAN: Order. We are not now dealing with decontrol.

Mr. ZAPLITNY: I submit, Mr. Chairman, that this is pertinent, because what the minister is attempting to do by placing this tax on these commodities is to discourage the consumption of what he calls semi-luxury goods. If you discourage the consumption of these goods it also means you discourage the production of them, because there would be no object in producing them if nobody will buy them. I imagine that the government was—

The DEPUTY CHAIRMAN: Order. We have had quite a lengthy debate on these controls.

Mr. ZAPLITNY: Mr. Chairman, you will note that I am not debating the merits of price control as such. At the moment I am only pointing out that, had the government used the power of price control which they still had in their hands—

Mr. ABBOTT: They would not have to do this.

Mr. ZAPLITNY: —at the present time, then they would not have to use this excise tax to the same extent that they are now using it. I believe that is a sound argument. What is more, they would have protected the consumer in the lower income brackets to a greater extent than is now done. What has happened now is that, by decontrolling first of all the so-called luxury articles in this country, the government gave an impetus to the production of these non-essentials. Then, having found that there were too many of them on the market and people spending their money on so-called semi-luxury doodads the government says, "We will not only stop you from buying luxury goods, but we will stop you from buying semi-luxury goods as well by asking you to pay 25 per cent more."

What are some of these so-called semi-luxury goods? We could have a debate on what is a necessity and what is not because, when I look down the list, I find, for example, a rather small article, but a very necessary one, particularly so when I look around here, because we are practically all men. I find that shaving brushes are not taxed, but razors and shavers are. There will be some pretty grizzly looking characters around here in a

year or so, because no one can shave with a shaving brush, you must have a razor along with it.

Mr. REID: That will be the new look for men.

Mr. ZAPLITNY: Our beards will be down to our knees.

Mr. ABBOTT: Shaving brushes are not taxed.

Mr. ZAPLITNY: No, but razors and shavers are.

Mr. ABBOTT: Because there was an export market for these goods.

Mr. ZAPLITNY: You can lather up your face and go out; you cannot shave.

Mr. ABBOTT: You can, unless you use an electric razor. My hon. friend may use these expensive electric razors. I use the old-fashioned Gillette. There are no taxes on those.

Mr. GREEN: You are a real Tory.

Mr. ZAPLITNY: Seriously though, there are in this list commodities which cannot be called luxury goods. It cannot be argued that these articles are luxury items for all the people. For example, let us take automobiles. There are thousands of people in this country who depend for their livelihood on owning and driving an automobile. Go into the field of salesmanship. There are a lot of people who work in the civil service, for example, who have travelling jobs; they are people who earn their living by owning and operating a car. Had the minister placed a tax on cars which are priced at from $2,000 upward, it might not have been so bad because then you could say that anyone who makes a living by owning and operating an automobile will not buy a Cadillac or a Buick or any one of these expensive cars; he will be satisfied with a cheaper model. But no, the tax starts from $1,200, which means that there is not an automobile on the market today which you can buy without paying the excise tax. This means that there will be thousands of people across this country who will find it 25 per cent harder to make a living than before.

We find that articles for household use such as refrigerators and all kinds of electrical appliances are taxed so that people who are trying to buy them in the western provinces, where unfortunately our electrification schemes have not gone forward as fast as they have in some other parts of the country on account of the depression we had there, are finding it exceedingly difficult. Today those provinces are attempting to start rural electrification schemes and they run smack into these taxes. They find that the people for whom they are planning this electrification are beginning to become lukewarm over the matter and are not enthusiastic because the price of the goods they have to buy has gone up 25 per cent. The difficulty of the government is—and I say this sincerely—they are attempting to get the effect or the result of a planned economy without doing any planning. They are attempting to get out of the so-called free enterprise system the same result as they would get out of a planned economy. but they have refused to do that supplementary or complementary part, which is to have a planned economy in the first place; I do not know what this committee can do except to register its protest. If the government were to be fair with this committee they would separate from this list the last two parts of the resolution, paragraphs 5 and 6, which have to do with the taking off of the tax. That part could be taken separately, in a separate bill if necessary, and the committee could decide on the merits of this tax alone. I do not think it is wise to attempt to confuse the public and parliament by proposing in the same debate to tax the people 25 per cent or more, at the same time pointing to another part of the resolution and saying, "Oh, we are taking the tax off electricity and sugar". If we are to have a taxation scheme let us make our decision and deal with that by itself and deal with the other aspect separately. If it were put in that way, and if private members opposite were given a free vote, I am confident that the resolution would not carry.

Mr. CASE: It seems to me that we talk in millions so often in this house that it is difficult to get a genuine appreciation of just how this affects the ordinary citizen. During the war we had compulsory savings and there was the sale of something which was popular, namely war savings certificates for $4. This year that little savings certificate will be due and will be worth $5. I wonder if it has occurred to the Minister of Finance, when he thinks about this, that people who have been saving in this way over a period of years would like now to buy some of the luxuries and even the necessities for which they have been waiting so long a time to acquire—a refrigerator, an automobile or something else that might appeal to them. Has it occurred to the minister that his 25 per cent excise tax will take every cent that the little war savings certificate earned? People have invested their money in war savings certificates in the last seven and a half years, and now they will find

that the dollar they have earned on every four dollars they invested will be taken from them when they attempt to spend their money for something which is necessary in their homes.

Mr. MOORE: In view of the minister's statement that the purpose of the tax is to restrict consumption, how long does he expect it will be necessary to enforce this legislation?

Mr. ABBOTT: I cannot make any forecast as to the length of time it will last. That will depend upon how our balance of payments position works out. The reserves today, while improving, are far below what they should be and far below what I should like them to be. I cannot say how long it will be necessary to continue these restrictive measures; but, as I have said on numerous occasions, I do not wish to keep them on a day or an hour longer than is necessary.

Mr. THATCHER: May I ask the minister this question? If the Marshall plan in the United States goes through in the next few weeks, can he give any undertaking that the taxes will be taken off?

Mr. ABBOTT: I cannot give any undertaking. Of course that is an important factor, as it is bound to be, in helping to restore our balance of payments position.

Mr. CRUICKSHANK: I wish to ask a question which I think will simplify matters not only for myself but for the rest of Canada. In my opinion the whole system of taxation is wrong, but can the minister tell me when the 25 per cent tax will be taken off cars? I want to buy one.

Mr. ABBOTT: I want to buy one too, so that I am in the same boat as the hon. member for Fraser Valley. I am driving a 1939 model at the moment.

Mr. GREEN: These excise taxes, as we all know, are part of the exchange conservation program. I would ask the minister, in all seriousness, just how much his program would be affected if they were dropped for the present at least and further consideration given to measures of this type. Then, whatever might be decided upon could be brought down at the time of the budget. The minister must realize that there is great opposition to this tax across the country.

Mr. ABBOTT: There is, of course, opposition to every tax.

Mr. GREEN: But in my time I have never known a tax that was so much disliked as this particular one, and frankly, I believe that is the feeling among many private members on the government side. There are

features of the tax which are most unfortunate; perhaps the minister and his advisers do not realize all the implications.

I should like to know now what damage would be done if the tax proposals were dropped and whatever steps the minister might decide to take were taken in the budget. The government has power under Bill No. 3 to deal with the whole question. I am quite sure that the excise taxes are only a minor part of the program and I cannot see that much harm would be done if the government withdrew these proposals. I believe there was great merit in the argument that the tax is unconstitutional and that, in any event, it was imposed in a way that should not have been followed, when the minister announced it over the radio rather than to the house as he announces ordinary taxation measures in a budget.

The minister himself has said repeatedly that he does not want the money. He is not interested in the amount of money that is taken in as a result of the tax. In his article in *New Liberty* on January 31 of this year we find this statement with reference to the excise taxes:

> The revenue isn't important; the less raised the better, for that will indicate that the tax has had the desired effect of persuading Canadians to postpone buying until some later time when the country as a whole can afford the U.S. dollars involved.

It is only a matter of a few weeks now until the budget is brought down. The very fact that these excise taxes were announced has already had some effect, I should think, on purchases, and has partly accomplished the minister's objective, and I should like to know how seriously his plan would be endangered if these taxes were dropped at this time.

Mr. ABBOTT: That is a pure matter of opinion, as my hon. friend realizes. He would have one opinion and I another. I believe these taxes are having and will continue to have a real effect in deterring consumption of these particular articles, and I would not be prepared to consider dropping them now and considering their reimposition in the regular budget.

Mr. GREEN: Will the minister say why he has imposed the supertaxes on automobiles? They run to 25 per cent in some cases, 50 per cent in others and then 75 per cent in addition to the taxes already levied on cars. Why were there such terrifically stiff taxes imposed on automobiles?

Mr. ABBOTT: In the case of the lower priced automobiles, that is of the Ford and Chevrolet class, the additional tax was 15 per cent, and that, I am told, will affect cars in that range to the extent of $130. When you get to the more expensive models, the Buicks, the Lincolns, the Cadillacs and so on, where there is a limited quota, the tax is steeply progressive and it goes up fast. It was intended to be a real deterrent to the purchase of these cars.

Mr. GREEN: Is the automobile situation not covered now by the quotas which have been imposed since the austerity program was announced?

Mr. ABBOTT: Not entirely. I tried to deal with that in answering the hon. member for Muskoka-Ontario. Quotas have been in effect for two or three weeks now, but they apply not only to imported cars but to importation of parts, and under existing conditions we would like to see a slowing down of the purchase of domestically produced cars as well. I do not think the quotas can entirely accomplish that purpose.

Mr. CRUICKSHANK: I wish to ask a question supplementary to that asked by the hon. member for Vancouver South. I was asked from over on the right here this question: "If you are not a lawyer, why get into this?" That is the trouble in this house. There are too many lawyers or so-called lawyers. I want to get a little further explanation with respect to the Chevrolet or the Ford; and I am not trying to give a boost to those makes; I am thinking of the lower priced cars. I understand that 90 per cent of the content of those cars is produced in Canada. Am I correct?

Mr. ABBOTT: It is not quite as high as that. I think the highest domestic content is with respect to the Ford—and I am speaking from memory—and that it is something of the order of 70 or 75 per cent.

Mr. CRUICKSHANK: The minister says it is 75 per cent. I regret that this government, although not as much as previous governments, has permitted this condition to exist, and that we have not all-over production here.

Mr. ABBOTT: Some cars are made here but some are imported.

Mr. CRUICKSHANK: They should not have been. If this and other governments had been on their toes, there would have been 100 per cent production in Canada. I cannot understand this situation with respect to low-priced cars. I can understand it with respect to Cadillacs—perhaps I should not mention the names, but I am thinking of the expensive cars—but I cannot understand it with respect to the lower priced cars, which are not now a luxury but are rather a necessity of life as much as an electric water pump or a milking machine is on the farm. Automobiles are as much a necessity of life for a salesman or a businessman. I cannot see this idea of putting on this 25 per cent tax at this time.

Mr. ABBOTT: It is only an extra 15 per cent.

Mr. CRUICKSHANK: It is an extra 15 per cent. But it is now 25 per cent.

Mr. THATCHER: Will you vote against it?

The DEPUTY CHAIRMAN: Order.

Mr. CRUICKSHANK: The hon. member for Moose Jaw is getting away from those fifteen Japs he has.

An hon. MEMBER: That is a slick comeback.

Mr. CRUICKSHANK: I could come back with a better one for you.

An hon. MEMBER: Keep coming.

Mr. CRUICKSHANK: What I should like to know is this. I am informed by the largest General Motors dealer in my province that in British Columbia in 1940 a Chevrolet standard sedan sold for $1,380, I think it was. Today the same car sells for $2,000. I am also informed—whether I am correctly informed or not I do not know—that the tax on that car, imposed by federal authorities, as a result of the new taxation, with sales tax on it, is $600.

Mr. ABBOTT: No. It would not be that much.

Mr. CRUICKSHANK: Well, that is what I am informed. I want to be corrected in this if I am wrong, or if my informants are wrong I want to be corrected. I cannot understand why a car which is essential for farmers' purposes should bear this excessive tax, and I am speaking of these lower priced cars. We believe that you are prohibiting the manufacture of them in Canada rather than encouraging it. I should like particularly to be informed if I am wrongly informed. If I am wrong in my figures I should like to be corrected. I am informed that the present tax on a Chevrolet standard car in Vancouver is $600.

Mr. ABBOTT: I could not verify that figure. But the added tax, as a result of the

proposed additional 15 per cent here, is, I am told, about $180; it is $150 to $180. I thought it was $130 but, depending on the model, it is between $150 and $180.

Mr. CRUICKSHANK: Is that additional?

Mr. ABBOTT: That is additional tax. There was the existing tax, the sales tax and so on, and that is on the wholesale price of the car; it may have gone up; I do not know. But the additional tax, the additional 15 per cent as a result of this proposed tax, is of the order of $150 to $180 on a standard type Chevrolet or Ford, so I am informed.

Mr. CRUICKSHANK: I should like to ask one more question in case I do not understand the matter correctly. I think the minister definitely stated the figure, but in case he has not I will ask this question. The average amount on a car retailing at $2,000 is what? What is the average production in Canada? What did the minister say?

Mr. ABBOTT: I am told with respect to the Ford—I do not know about the Chevrolet —that the Canadian content is about 75 per cent.

Mr. FRASER: I should like to ask this question following up what the hon. member for Fraser Valley has said. That $180 is tax on the car of 25 per cent, which also—

Mr. ABBOTT: No; that is additional.

Mr. FRASER: I know; that is additional tax. But that additional tax also is a tax on the sales tax—

Mr. ABBOTT: No.

Mr. FRASER: —because sales tax is added first, and then this is on top of that.

Mr. ABBOTT: No. The tax is on the wholesale price of the car. To the wholesale price of the car is added the sales tax and excise tax. The additional excise tax on this type of standard model that I am referring to, as a result of this measure, will be of the order of $150 to $180.

Mr. CRUICKSHANK: May I ask one question more? Is that tax placed on the wholesale price?

Mr. ABBOTT: On the wholesale price, at the wholesale level; at the factory.

Mr. CRUICKSHANK: To the manufacturer?

Mr. ABBOTT: To the dealer.

Mr. CRUICKSHANK: Not the ordinary retail dealer, but it is on the manufacturer's price?

[Mr. Abbott.]

Mr. ABBOTT: At the factory, yes.

Mr. PROBE: I wanted to ask one or two questions of the minister before eleven o'clock. But before doing so I want just to tell him, through you, Mr. Chairman, that he is not the most popular Minister of Finance that my constituency has known; and it is my duty here to register a strong protest on behalf of my riding against this amendment of the excise tax in so far as the 25 per cent portion is concerned. I think all our people have expressed, where they have taken the time to do so, some appreciation of the fact that the electricity and gas tax for dwellings is now cut off and that the sugar tax has been abolished.

Mr. ABBOTT: One or two have been, yes.

Mr. PROBE: But you do not get those letters quite as frequently as the others.

Mr. ABBOTT: Tea and coffee too.

Mr. PROBE: In our province we have a number of Liberals who have been talking for some time with torrents of eloquence about a two per cent sales tax levied on certain things by my own provincial government, the government of Saskatchewan.

Mr. THATCHER: It is three per cent in British Columbia.

Mr. PROBE: The Liberals argued with great eloquence that this two per cent tax in Saskatchewan on certain sales should be repealed—a tax which the hon. member for Winnipeg North Centre reminds me the Liberals themselves put on some years ago. Yet they weep a form of crocodile tears in my province that the C.C.F. are not taking that limited source of revenue off. Here we have an argument which the Minister of Finance puts forward with equal eloquence as to why there should be a 25 per cent excise tax on many commodities that are considered by people in my section of the country as essential. That is all with respect to registering the protest.

I should now like to ask a question or two briefly, if I may. Will the minister assure the committee that this list which we have in the mimeographed sheets, as amended by the third mimeographed sheet—

Mr. ABBOTT: It is printed in *Hansard* now.

Mr. PROBE: —and printed in *Hansard* represents now the complete list of articles involved under the revised 25 per cent excise list? The minister nods his head.

Mr. ABBOTT: Yes; the list printed in *Hansard* is a consolidation of the amendments.

Mr. PROBE: The reason I ask is, of course, that there must have been some changes of which I was not aware. I have a protest with respect to curling stones, for example, which I intended to present to the minister, but he assures me that the 25 per cent excise tax does not apply on those.

Mr. ABBOTT: That is right; the sporting goods group were taken out. The remaining items were of such minor importance that we decided to eliminate the whole group.

Mr. PROBE: Very good.

The other matter is in connection with a clause on page 2 of the sheet I have before me. I refer to section 4, which reads:

> That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from 10 per cent to 25 per cent.

I should like to know if that clause calls for a 25 per cent excise tax, regardless of the size of projector used. That is the first point. Second, whether or not there is a rebate in the case of educational institutions; whether they can get a refund of the 25 per cent excise tax where the projectors are used for educational purposes. I ask the second question because I understand that a change is to be announced next Monday, March 22, with respect to projectors, and I should like that clarified. If it is only a rumour it should be denied. What is the exact position of educational institutions with respect to the 25 per cent excise tax on these items, and would the minister indicate what size projectors are concerned?

Mr. ABBOTT: I am told that projectors of all types are to be taxable at the increased rate, irrespective of who may be the user.

Mr. PROBE: There is no refund, then, for educational institutions?

Mr. ABBOTT: I am told not.

Mr. PROBE: That, I think, imposes an undue hardship, because educational institutions are increasingly becoming users of these items for school purposes. As I understand it, in this country there is only one assembly plant for this form of equipment; there is not a manufacturing plant, and they cannot meet the demand. This just increases the difficulty.

Mr. ABBOTT: We shall have to look into that.

Mr. MACDONNELL (Muskoka-Ontario): I want to come back to the point we were on arlier in the evening. I hope that the minister feels more tolerant towards me now than he did then; I know I feel more tolerant toward him. I want to reiterate that, whether or not he thinks the figures I am asking for are significant, namely the difference in sales before and after November 17, and the United States content, I am going to ask him to let us have those figures when we get into committee after second reading of the bill; and I will say no more about the matter this evening.

Mr. ABBOTT: I will urge the officials again to get whatever figures they can, and I will ask them to study my hon. friend's remarks in *Hansard*. I know I am rather stupid in this thing, but I found it rather hard to see exactly what my hon. friend wanted. However, I will study his remarks carefully and will ask the officials to do the same; and if we can get figures of that kind—and I should think we could get some, at any rate—I will see that they are made available when we are in committee after second reading.

Mr. MACDONNELL (Muskoka-Ontario): I just want to certify to the minister, not on my own authority but on that of my deskmate, that he thinks my questions are not wholly unreasonable.

Mr. ABBOTT: They are never that, I am sure.

Mr. MICHAUD: I should like to ask the minister what car is sold now by the manufacturer for $1,200 or less. I understand there is none. There is an increase of 15 per cent, from 10 per cent to 25 per cent, on cars selling by the manufacturer at $1,200 or less, but once you get over $1,200, the excise tax is 50 per cent.

Mr. ABBOTT: I am told that at the factory cars are still sold at $1,200. Of course freight and all the rest of the charges have to be added.

Mr. MICHAUD: I should like to know what cars they are. Twenty-five per cent of $1,200 is $300. Then there is the eight per cent sales tax, which amounts to $96, making a total of $1,596.

Mr. ABBOTT: There is also freight and handling.

Mr. MICHAUD: Where does the difference come in? We are being fleeced somewhere.

Mr. ABBOTT: The retailer makes a profit.

Mr. MICHAUD: I should like to know what cars are sold by the manufacturer at $1,200.

Mr. ABBOTT: Ford and Chevrolet.

Mr. JACKMAN: Did the minister say earlier this evening whether representations had been made to the government of the United States to change their basis of assessing customs duty so that the excise tax would not form part of the base?

Mr. ABBOTT: I answered that first in reply to a question of the hon. member for Kindersley. The other afternoon the hon. member for Parkdale asked the same question. I referred him to the page of *Hansard* which contained my answer to the hon. member for Kindersley. This afternoon the hon. member for Moose Jaw asked the same question, and I gave the answer again. Representations were made to the United States authorities objecting to the inclusion of the 25 per cent tax as part of the value for duty purposes, asserting that under the provisions of the Geneva agreements it was not to be so included. Those representations were sympathetically received. It was conceded that the Geneva agreements would exclude it; but it was pointed out that, before this could be done, legislative action was required by the United States congress, which it has not yet taken. In the meantime, under the existing United States law, it must be added to the import value for duty purposes. That, of course, created a difficult situation for our manufacturers who were exporting that class of goods, which was one of the reasons a number of articles were taken out of the list.

Mr. JACKMAN: It is expected that if the United States congress takes the action the minister has requested we shall again have the various articles which have been removed from this excise tax placed back under it?

Mr. ABBOTT: Well, that will have to be looked at when the contingency arises.

Mr. JACKMAN: The reason you took them off the list will have been gone, and I presume the status quo would be resumed.

Mr. ABBOTT: That may well be.

Mr. JACKMAN: The minister has said a valid criticism which could come from this side—and I agree with him, but I have not taken very much of his time in this debate, so I have not brought it up—is that if we are to decrease consumption in Canada so that we may have more goods for export, the excise tax as outlined here should be applied to a much wider range of goods. If the government is serious about this matter and is really trying to decrease consumption, an argument which has come up rather late in this debate, why has it not followed its own criticism, if you like, and made the excise tax apply to a much wider range of goods? As the situation is now, the classes of goods to which the excise tax applies are not very large, and I doubt very much if there will be a decrease in the over-all spending of our people. If they cannot get these particular articles, many of which have little or no United States content, they will spend their money on other articles, so that the net result will rather fly in the face of the argument the minister put up, namely, that the purpose of this excise tax is to decrease over-all consumption in Canada, so that once again we shall have more for export and attain an over-all export surplus instead of breaking about even, as was the case last year. Therefore I should like to ask the minister why, believing as he does and suggesting to us that one valid line of criticism is that they have not gone far enough, the administration lacks the courage to make this measure completely effective.

Mr. ABBOTT: We thought we would perhaps start out slowly and see what results were achieved as part of the over-all program. Of course it may be necessary, if we have to take further steps to protect our balance of payments position, to impose other taxes or further restrictions. I cannot give that assurance. I hope it will not be, but we felt that this was as far as we should go at this time.

Mr. MERRITT: We have had evidence tonight that this is an improper tax. However, before the question is put I should like to revert to the fact that this is an illegal and unconstitutional tax. The amendment should not carry under any circumstances. This tax cannot be levied against the Canadian people because, I submit, parliament cannot overlook the constitutional question herein involved. That question goes to the root of everything which we in Canada believe.

It is all very well to talk about the incidence of the tax, and everything of that kind; but, in the end, we come back to this question: Is the House of Commons to pass for a government—for the executive—a tax measure which was laid on the Canadian people when the house was not in session, and which the Minister of Finance, who is responsible for the tax, now presents to the house as something legal? Are we to create a precedent which will last at least until we have the courage to undo it; are we to sit in silence and let such a tax go through?

That is the question which is posed for members of the government party. Will their loyalty to their party be such that they have no loyalty to the constitution? That is the question they must ask themselves before

they vote upon the amendment; or upon the bill if, unfortunately, we should reach that stage.

The minister has maintained, as one of his defences, that no tax was laid. I wonder if he still maintains that position. He does not answer; perhaps he cannot answer. But if he does not answer I must assume that he still maintains his position that no tax was laid.

First of all, I would bring to the attention of the committee the minister's own words in his radio speech of November 17 where, after referring to the purpose of the tax and the articles upon which it was to be placed—and the tax reduction; I wish to give him all credit —he said this:

> Now that the government's proposals have been announced we propose to follow the usual budgetary practice of asking parliament to make them effective from the time of announcement, and taxes at the new rates will therefore be collected on all sales by manufacturers and on imports beginning tomorrow morning.

The words I wish to draw to the attention of the committee, particularly of private members who sit on the government side—because all my remarks tonight are directed to them —are these:

> Taxes at the new rates will therefore be collected on all sales by manufacturers and on imports beginning tomorrow morning.

I ask any hon. member who understands the English language whether the words, "will therefore be collected," are the wording of an order, or, as the minister has tried to say, if they are the wording of a warning or invitation to pay a tax, although there is no legal compulsion to pay it. I say that to any ordinary citizen of Canada the words, "will therefore be collected," have one meaning, and one meaning only—an order to pay to the executive government of this country. In my view they would be quite sufficient to establish that this tax was imposed.

I am afraid the minister will have to put his newspaper down—

Mr. ABBOTT: So far, it was just a repetition of what my hon. friend so ably said the other night. I thought I might catch up with the newspaper.

Mr. MacINNIS: It is a rehash, anyway.

Mr. MERRITT: The hon. member for Vancouver East says it is a rehash. Does he believe that this point is unimportant?

Mr. MacINNIS: No, I did not say that at all.

Mr. MERRITT: All right. The question I wish to ask the minister is this. The hon. member for Lake Centre read to the minister the memorandum circular issued over the signature of the deputy minister of customs and excise. I ask the minister if that memorandum circular went out at the minister's direction or with his knowledge and consent.

Mr. ABBOTT: It did not go out at my direction, and I cannot say if it went out with my knowledge. I presume I may have known something about it, but the Department of National Revenue sent it out. It was not my department.

Mr. MERRITT: I want to read to the minister again the wording of that circular. It states:

> Until further instructed take all customs and excise entries presented on and after eighteenth instant subject to amendment. Notify outports by wire: The following are the provisions of the special resolutions affecting the Excise Tax Act and the customs tariff, to be introduced in parliament at the coming session. Please note particularly that these resolutions are effective today.

The minister says he has no personal knowledge of the wording of this document. I can understand he would not have. Does the minister say that those last words, "please note particularly that these resolutions are effective today", are necessary for the direction of a public official carrying out the policy announced by the minister?

Mr. ABBOTT: I suppose if the circular had been technically correct it would say, "are to be effective as from today". They were drawn, I assume, by departmental officials; they were not drawn by me. I do not recollect having seen them at all before they went out.

Mr. MERRITT: Will the minister agree with me that a customs officer, an excise officer or any person charged with the responsibility of collecting taxes under the Excise Tax Act could, under his duty, do anything other than collect the tax after receiving a document of that kind?

Mr. ABBOTT: Yes; and, as I have said before, if any importer or any purchaser felt that parliament would not accept the tax, he could have refused to pay to the customs officer, and the customs officer could not have collected in court. That is the legal position. It has been that way all along. No one has ever disputed it.

Mr. MERRITT: I shall come to that later, because I do not want to have any doubt of any kind with respect to it. At the present time I am only interested in asking a question of the minister, and I should like to have it clearly answered. It is simply this: Could any officer of the customs and excise branch, after receiving that circular, do other than perform

his duty of collecting the excise tax in respect of these particular taxes announced in the resolution?

Mr. ABBOTT: Of course every customs officer would request purchasers to pay; of course they would. That was the purpose of the circular.

Mr. MERRITT: On this point as to whether or not the tax is imposed, one thing that disappoints me in connection with the minister's action, unconstitutional as it was, is that it was not even new. This question of sending out letters like this was thought of in the reign of one of the Richards, I believe it was. They were known then as benevolences. Reading from Maitland's "History of the Constitution" at page 260, I find this:

> A more serious step was now necessary if money was to be obtained. The king had recourse to benevolences. Letters were written to the sheriffs directing them to call upon persons of ability for contributions.

I thought it might interest any hon. member who has any doubt of the constitutionality of this measure to know that exactly the same procedure was adopted long ago by executive power and that letters were sent to the sheriffs exactly as letters were sent in this case, calling for the collection of money. The minister does not want to call it imposing a tax. He says it was an invitation to pay in advance. I want to ask the minister this question. Does he agree that if this resolution and the bill to be founded upon it were passed by the house, not only the taxes he is proposing but the other provisions of the Excise Tax Act, its general provisions, would also come into effect as and from November 18?

Mr. ABBOTT: I take it that the only effect of the bill to be introduced in the specific case we are discussing will be to increase certain taxes by a certain percentage and impose certain others and that the bill will take the form of an amendment to the Excise Tax Act.

Mr. MERRITT: And of course all the general sections of the Excise Tax Act respecting enforcement will come into force as and from November 18. Is that not correct?

Mr. ABBOTT: They are in force now. They have been in force.

Mr. MERRITT: But I mean with respect to the new tax. Is that not correct?

Mr. ABBOTT: I do not know that I quite follow my hon. friend.

Mr. MERRITT: The enforcement provisions which are now contained in the Excise Tax Act will come into force with respect to the new taxes immediately upon parliament adopting the amendment?

Mr. ABBOTT: That is right, and if somebody had not paid the tax you could use the enforcement provisions to make him pay.

Mr. MERRITT: Then, with that situation, how is it possible for the minister longer to maintain to the committee that he did not impose a tax as and from November 18? He says that nobody need pay the tax if it is illegal, that they could refuse to pay it. But they refuse to pay it under a penalty, and the penalty is not merely the payment of the new tax but something much more severe than that. I have before me the 1947 amendment to the Special War Revenue Act, section 106 of which reads:

> Every person who is required by . . . this act to pay or to collect taxes shall make each month a true return of his taxable sales for the last preceding month, containing such information and in such form as may be required by regulations.

And the date of filing and of payment of the tax is prescribed and penalties are provided for default in payment of the tax.

Then sections 108, 111, 112, and 118, all provide for penalties. They do not simply provide that one of these brave manufacturers who defies the minister shall pay just the tax imposed, once parliament imposes them, and then go scot-free. They provide that he shall go to jail, if you please, for failure to pay the tax, even though his failure took place before this parliament approved the tax. So that there is no use in anyone blinding himself to the fact that the tax was actually imposed.

I wish to refer to one more section of the Excise Tax Act. Many questions have been directed to the minister, particularly by the hon. member for Moose Jaw, respecting the difficult situation in which the minister must find himself because of the collection of taxes by manufacturers on articles which have been released from the tax, and the difficulties that these manufacturers or the retailers ahead of them would have in getting the money back into the hands of those who had paid a higher price because of the tax. The minister said: That is their problem; let them work it out for themselves. Those were almost his exact words.

I call attention to another section of the Excise Tax Act, and I want to show the committee, and, if I may say so, the minister and the government for, after all, the whole cabinet had some responsibility for this

austerity program and, therefore, for the tax, some of the dangers that he runs into by acting in an unconstitutional manner. If he will look at section 119 of the Excise Tax Act he will find that it reads as follows:

> Everyone liable under this act to pay to His Majesty any of the taxes hereby imposed, or to collect the same on His Majesty's behalf, who collects, under colour of this act—

Note those words: "under colour of this act."

> —any sum of money in excess of such sum as he is hereby required to pay to His Majesty, shall pay to His Majesty all moneys so collected, and shall in addition be liable to a penalty not exceeding five hundred dollars.

In other words, everyone of these manufacturers who has collected the tax from the retailers ahead of them, under colour of this act and under colour of the minister's action, is not only liable to pay to the retailer the tax which was exacted from him but liable also to a penalty of $500 because of his action in collecting that tax. I imagine that this is one very good reason why it is so important to adhere to the constitution.

I now come to some of the excuses which the minister has made for his action, which I say, and there is no doubt about it at all, was unconstitutional. He said, first, that it was absolutely essential that this tax be imposed on November 17 in order to prevent anyone from taking speculative advantage of the restrictive program. But speculative advantage was placed in the hands of the people by the minister himself when he imposed this tax. If he had not imposed this tax a lot of these commodities would not have gone up in price by 25 per cent and the moneys would not have been collected from consumers in the country and from retailers.

Some hon. MEMBERS: Carried.

Mr. MERRITT: I am coming to the hon. gentlemen on the government side of the house who called "carried". But first another reason which the minister gave was this, at page 2031 of *Hansard,* and the hon. gentlemen who called "carried" might listen to this:

> . . . but the public assumes that parliament will pass these taxes and make them effective, as the government has asked.

I want to say to the hon. members who called "carried" that the minister is wrong. The public never assumed that parliament would pass the taxes for which the government has asked. The public does not yet assume that this is a house of rubber-stamps. The minister was wrong when he thought parliament would approve so easily. The minister meant that his own supporters would do the approving. The minister felt—

Mr. ABBOTT: That is the majority of parliament.

Mr. MERRITT: —that the cabinet had such control over its own supporters that even his unconstitutional acts would be approved by hon. gentlemen who sit opposite and who call "carried". I think the hon. member for Halton who spoke the other day and attempted to pass some ridicule on the hon. member for Lake Centre for citing some mediaeval cases, and other hon. members on the government side might be interested in this little passage from Maitland who seemed to have foreseen everything that the government is trying to do today. After referring to the fight by parliament against this kind of imposition of taxes, Maitland says this:

> Under the Tudors the danger is of a different kind—it is not so much that the king will tax without parliamentary consent, but that parliament will consent to just whatever the king wants and will condone his illegal acts.

Have we a Tudor parliament here tonight? Are the hon. members opposite—

An hon. MEMBER: Carried.

Mr. MERRITT: —back in the sixteenth century? They call "carried"; therefore I imagine they are Tudor members, but I am just going to put this on the record for their benefit, so that they may know what they are doing when they vote on this amendment.

Mr. SINNOTT: Since when did you become a legal adviser?

Mr. MERRITT: I have a few questions I wish to ask the minister.

Mr. SINNOTT: Since when did you become a teacher?

Mr. MERRITT: I understand that the minister maintains that this is constitutional practice. That is correct is it not?

Mr. ABBOTT: Yes.

Mr. MERRITT: He said at page 1542 of *Hansard*:

> It is exactly the same procedure as is followed when the budget is brought down save that we anticipated the calling of parliament by some ten days or two weeks.

That is to be the new constitutional procedure. You can do ten days or two weeks before parliament sits what you can do when parliament is in session, and I should like to ask the minister this question. What are the limits of this doctrine he proposes; because, do not forget, the minister says he

will do it again. He said tonight that it may be necessary to take further steps of this kind. Will the minister define the limits of this constitutional practice? It is constitutional if he does it in two weeks or ten days before parliament sits and calls parliament. Is it constitutional for a month, or is it constitutional for a year before parliament sits? I should like an answer to that question.

Mr. ABBOTT: That, of course, is a matter of opinion. We have not a written constitution in matters of that kind. I think I have explained this thing pretty carefully. At the time this announcement was made parliament had been called. I gave the reasons why, in the emergency which I said existed at that time, this should be done. I am not going to attempt, nor do I think anyone should attempt to put any time limit on that sort of thing. I suppose, in theory, it might be a month or it might be three months. I do not know that there is any written provision anywhere, in Britain or anywhere else, which covers these things, none whatever.

Mr. MERRITT: Yes, there is. It has been read to the minister.

Mr. ABBOTT: Then my hon. friend has done better than others.

Mr. MERRITT: It was read to the minister the other night. The written principle is contained in the Bill of Rights in the reign of William and Mary, and it followed upon precisely the—

Mr. ABBOTT: What does it mean?

Mr. MERRITT: —action that the minister has taken. It was because King James II imposed taxes two months before parliament met that that provision was contained in the Bill of Rights; and the provision in the Bill of Rights is, of course, that no taxation shall be laid upon the people without the consent of parliament. It is in writing and it is the very formula embedded in our constitution. The minister now says he does not know; it may be one, two or three months.

Mr. ABBOTT: But no taxation is imposed except with the consent of parliament. How often does that have to be reiterated? No one has ever challenged that proposition.

Mr. MERRITT: The minister now says it can be done, as I understand it, three months before parliament is called.

Mr. ABBOTT: I did not say three months at all. My hon. friend was asking what the limit would be after announcement. I said that no one could say what it would be. I have given it time and again; the committee is thoroughly familiar with it, and the people of this country are thoroughly familiar with the circumstances under which this announcement was made. I have nothing I can add to that. My hon. friend has a perfect right to go on and elaborate his constitutional argument. I listened to him with interest; but let him develop his own argument; do not keep on interrupting by asking me to put a time limit on this, that, or the other thing.

Mr. MERRITT: We are in committee. One of the purposes of being in committee is to ask questions, and I am going to continue to ask my questions. As I understand it, the minister now says that he does not know that there is any time limit—

Mr. SINNOTT: That is one way to learn.

Mr. MERRITT: —within which he must call parliament together.

Mr. ABBOTT: I will answer any questions of fact that my hon. friend wants to put to me, and these are the only questions that he is entitled to put to me.

Mr. MERRITT: The question I am asking is a question of fact, I think, Mr. Chairman. I am asking him to define the limits of the constitutional principle that he propounds. If that is not a question of fact it is a question of such great importance to the committee that I do not care whether it is a question of fact or not.

Mr. ABBOTT: I answered that. My hon. friend can read the answer in *Hansard* tomorrow.

Mr. MERRITT: As I understood the minister's answer, it was not limited to two weeks or ten days, and he cannot give a limit—

Mr. ABBOTT: Of course I cannot, neither can anyone else.

Mr. MERRITT: —because, of course, there is no such constitutional principle; that is why.

Mr. ABBOTT: That is pure assertion.

Mr. MERRITT: If the time limit cannot be defined, in whose hands lies the decision as to what that time limit shall be? Does it lie in the hands of the Minister of Finance, or does it lie in the hands of the cabinet as a whole? Answer that question.

Mr. ABBOTT: Obviously that decision has to be taken by the government on its responsibility as a government. I cannot conceive of any government announcing the imposition of such a tax when parliament had not been called. That is my own personal view. I would not do it myself and I doubt whether any

other minister of finance would do it. I have said time and again that I considered a procedure of this kind could be followed only in the most exceptional circumstances, which I considered, and which the government considered, existed in the middle of November. With all the will in the world I cannot elaborate any further on that. So far as I am concerned, I would not consider that such an announcement should be made until parliament had at least been summoned.

Mr. MERRITT: The minister now says that parliament must be summoned.

Mr. ABBOTT: I said it should be.

Mr. MERRITT: Upon the announcement of the taxes.

Mr. ABBOTT: I said, in my opinion it should be.

Mr. MERRITT: Apparently not that it must be.

Mr. ABBOTT: I do not think there is any provision anywhere which requires it to be summoned.

Mr. KNOWLES: Is there any provision which permits you to do it otherwise?

Mr. MERRITT: It has always been my understanding that this country did have a constitution. Perhaps it has not. It is starting to look very much, from the action of the "carried, carried" boys, as if this country has not much of a constitution.

Mr. ABBOTT: My hon. friend knows that the British constitution is not a written constitution.

Mr. KNOWLES: On that point, the minister has said before tonight that in Britain there is no written statute covering this point. I ask him again to consider the argument made by my colleague, the hon. member for Kindersley, who drew the minister's attention to the matter. The hon. member for Kindersley drew the minister's attention to the provisional collection of taxes act passed in the third year of George V, chapter 3, which is a written statute to cover and makes valid the collection of taxes that had been announced and not yet passed.

Mr. ABBOTT: That is a statutory provision. It is not a constitutional provision but an ordinary statutory provision of the parliament at Westminster which may or may not have been necessary.

Mr. KNOWLES: But that is the way in which the constitution at Westminster has been built up.

Mr. ABBOTT: No. For heaven's sake, let us not get into an argument on the British constitution. My legal friends will agree, I think, that it is recognized that the British constitution is an unwritten constitution. There is what my hon. friend refers to as the Bill of Rights, which is a statute, but the British constitution and constitutional practice are not incorporated in a written constitution as in the case of the United States. Our constitution is, in part contained in the British North America Act, and we follow British constitutional practice in parliamentary matters.

Mr. KNOWLES: That is my point. If in Britain they found it necessary, under their unwritten constitution, to pass such an act as the one to which I have referred, I submit that, since we are following British practice, we should have done the same.

Mr. ABBOTT: The effect of that act would be that they could sue for those taxes the moment notice of them was given in parliament, but we cannot do that and we have never been able to do it. There is no law which enables the crown to sue for a recovery of taxes until the appropriate bill is passed by this house.

Mr. KNOWLES: Then they are not legally in effect.

Mr. ABBOTT: The argument applies with equal force to that practice, with this exception, as I have said before, that this was announced two weeks before parliament was actually in session.

Mr. MERRITT: Tonight I have read sections to show that, should parliament approve them, not only can these taxes be sued for, but penalties, by fine or imprisonment, may be imposed.

Mr. ABBOTT: I do not agree with my hon. friend. I know those sections and they apply to other things. We shall never get anywhere if we enter into that argument tonight.

Mr. MERRITT: I am not, from now on, taking the minister's statement on points of law as a very high authority. I will simply say that the sections I have read were the enforcement sections of the excise act, and if they would not apply to these taxes they would not apply to any taxes.

I wish to come to another statement the minister made, because I am trying to define the limits of this new constitutional principle so that we can refer to them if this house should be so neglectful of its duties as to pass this resolution. I think that now, while our

constitution is still intact, we can sound out what new limits will be put upon it, and that is why I have asked my question. The minister said this was different from what was known as an ordinary budget leak, because it was a public statement made at once to all the people and was not a statement dished out to one newspaperman or to a few people without the general public being made aware of it. That seems to me to be a statement that what is unconstitutional, if issued under the blanket or piecemeal or to a few people, is made constitutional by open announcement. I do not think I will ask the minister a question now. I will simply state to him that he cannot find any such principle either in the constitution or in reason, for a statement made in public is no better than a statement made in private if there is no foundation for either. You might as well say that an act committed at midday on a public highway is not a crime, whereas, if committed at night in a back alley, it is illegal. I leave that point there and ask the members of the committee to test this new constitutional principle by that statement.

Mr. CLEAVER: Before the hon. member leaves the point he has made, would he mind answering a question?

Mr. MERRITT: No, I would not mind at all.

Mr. CLEAVER: Do I understand that the hon. member is arguing that a tax can be imposed and has been imposed other than by parliament?

Mr. MERRITT: I will answer the question if the hon. member will sit down. Of course I am arguing that a tax has been imposed in effect, but that it cannot be imposed in law and that this house and the hon. member for Halton, who has questioned me now, cannot give approval to the *de facto* collection of an illegal tax. Is that clear?

Mr. CLEAVER: May I ask a supplementary question?

Mr. MERRITT: Certainly.

Mr. CLEAVER: We are agreed then, because I have always argued that only parliament can impose a tax. I take it that hon. members agree—

Mr. FRASER: Why don't you tell the minister that?

Mr. CLEAVER: The supplementary question is on the other point. I understood the hon. member to argue that a tax had been imposed.

An hon. MEMBER: It has been, certainly.

[Mr. Merritt.]

Mr. CLEAVER: His immediate answer to me is that it has not been imposed because parliament has not yet imposed it. Are we in agreement so far?

Mr. MERRITT: Mr. Chairman—

Mr. CLEAVER: My supplementary question is this. Does the hon. member argue that, if parliament does not pass this measure, all of this tax which has been voluntarily paid could not be collected?

Some hon. MEMBERS: Oh, oh.

Mr. CLEAVER: If I paid 25 per cent in anticipation of parliament passing retroactive taxation, does the hon. member argue that I could not collect back the 25 per cent which I gratuitously paid?

Mr. JACKMAN: We discussed that the other night. Where were you?

Mr. CLEAVER: Will the hon. member answer the question?

Mr. MERRITT: We are in committee, and I do not mind the hon. member asking a question, but he attempted to paraphrase what I said. He made a very ungainly attempt and misquoted what I said; then he proceeded to ask a question which I have answered many times. If the hon. member wants it once more, it is simply this. A tax has been imposed in fact and people have paid the tax in fact. If we allow this kind of procedure to go on, and if the hon. member votes for this resolution, parliament will be giving approval to the principle that a tax imposed in fact, but not in law, by the executive authority of the country, while parliament is not in session, will nevertheless be made the law *ex post facto* in future. It will put in the power of the cabinet of Canada the ability to lay any tax on the Canadian people at any time and make it good afterwards by a "Tudor" following in parliament. The hon. member can make a speech afterwards—

Mr. CLEAVER: Would the hon. member be good enough to answer the question?

Mr. ABBOTT: Don't embarrass him. He cannot answer.

Mr. FRASER: He has embarrassed himself.

Mr. MERRITT: There is one further thing I should like to say. The "hear, hear" boys and the "question, question" boys can listen to this one with some interest, I should think. If they think this is just an academic question—

An hon. MEMBER: It is an economic question.

Mr. MERRITT:—or something that does not go to the root of our way of life and our

whole democratic procedure, they can listen. At page 2036 of *Hansard* the minister said he would do this again, he said he will do it next time by press release.

Mr. ABBOTT: I said that was facetious. My hon. friend knows that.

Mr. MERRITT: I know he said it was facetious.

Mr. MACDONNELL (Muskoka-Ontario): The minister is too facetious about the whole matter.

Mr. MERRITT: I will ask the Minister of Finance this question. Does he say he will never do it again?

Mr. ABBOTT: No. I will answer that question. It is a perfectly fair one. Under similar circumstances, I would recommend and do exactly what I did this time.

Mr. JACKMAN: Then you do not get this through.

Mr. ROSS (Souris): When is the minister serious and when is he not?

Mr. ABBOTT: I will get it through all right.

Mr. MERRITT: Perhaps this shows the importance of what I am talking about tonight. The minister says that under similar circumstances he would do it again.

Mr. ABBOTT: Of course.

Mr. MERRITT: He said, too, that this is not a tax for revenue but, as I understand it, that this is a way of using the fiscal method of directing the economy of Canada. Think of that, hon. gentlemen opposite!

Mr. ABBOTT: My hon. friend talks about paraphrasing people's language. I never used the phrase "directing the economy of Canada." I would ask the hon. member to quote what I said and not to twist it.

Mr. MERRITT: The minister said, "fiscal method of reducing consumption."

Mr. ABBOTT: That is accurate.

Mr. MERRITT: If that is not directing the economy of Canada, I do not know what it is.

Mr. ABBOTT: Just say what I said; do not paraphrase it, because it may not be too accurate.

Mr. MERRITT: We are now in the position that the minister would do it again under similar circumstances. He will use the tax to cause people to change their habits. It is not only to raise a revenue which was all that King Charles I was trying to do; this is to change the method of living of the Canadian people. That puts more responsibility on hon. members opposite.

Mr. ABBOTT: I did not use the phrase "change the method of living."

Mr. JACKMAN: That is what you are doing.

Mr. MERRITT: That is what you are trying to do. I just want to conclude, and I do not intend to say anything more about this matter.

Some hon. MEMBERS: Hear, hear.

Mr. MERRITT: Hon. members opposite may laugh all they want to, but I do not think it will do them a great deal of credit.

Mr. HARTT: We are falling asleep.

Mr. MERRITT: I shall not be much longer but I want to say what I have to say.

Mr. HARTT: That is encouraging.

Mr. McILRAITH: The hon. member should do it in the forty minutes allotted.

Mr. MERRITT: You see, Mr. Chairman, there is another aspirant for cabinet rank calling out.

Mr. HARTT: What a brainstorm!

Mr. ABBOTT: What a wit!

Mr. MERRITT: Since the war, we have had what is known as the emergency doctrine. Some hon. members on this side of the house have questioned the emergency doctrine.

Mr. MacINNIS: And voted for it.

Mr. MERRITT: All right; and voted for it, if you like. But one of them at least has voted against it, and the hon. member for Vancouver East knows that.

Mr. MacINNIS: What is one among so many?

Mr. MERRITT: The emergency doctrine was that in times of national emergency, such as of war or the post-war period, the dominion could invade the constitutional fields reserved by the British North America Act for the provinces. That was the doctrine which has been enunciated in this house and upon which this government has acted. That, of course, is one of doubtful constitutionality, although there is a great deal of law on it that I will not discuss. But I never thought—and I do not think any members of this house thought either—that the emergency doctrine should be carried so far that not only does it allow this parliament to invade the fields reserved to the

provinces but now, in this measure and by this expression of emergency, the minister is saying that it allows the cabinet and the executive to invade the jurisdiction of parliament itself. That shows you, Mr. Chairman, the danger of letting these small constitutional breaches creep in. They get bigger; they grow wider; and the first thing you know, you have no constitution at all. As I said the other night, the Lord knows that we in this country, in these times ahead, have need of constitutional rectitude of the highest order. In my view, our constitution, which has been built up over the years and has met every emergency in every British country before this time, is so flexible and so free that there is nothing the government needs to do that it cannot do within the four corners of the constitution.

Finally, just before I sit down I wish to read to hon. members one paragraph from a speech made by Lord Chatham in 1775 with regard to the American War of Independence. Of course that whole war, that breaking off of the thirteen colonies, was nothing more than a revolution against the breach of the right of the people not to be taxed without their consent. This is what was said by Lord Chatham in that year:

> This resistance to your arbitrary system of taxation might have been foreseen; it was obvious from the nature of things, and of mankind; and above all, from the Whiggish spirit flourishing in that country. The spirit which now resists your taxation in America, is the same which formerly opposed loans, benevolences, and ship-money in England: the same spirit which called all England on its legs, and by the Bill of Rights vindicated the English constitution; the same spirit which established the great, fundamental, essential maxim of your liberties, that no subject of England shall be taxed but by his own consent.

Think of those words, all hon. members who are going to vote on this resolution. Will a breach of this principle not get you all on your feet? Will you not vindicate your spirit? Will you sit here, like a Tudor parliament, and vote against your consciences in blind obedience to the will of the executive authority of this country?

Some hon. MEMBERS: Order.

Mr. MERRITT: That is the issue which is before us.

Mr. CLEAVER: I asked the hon. member who has just taken his seat a question, and I thought it was a reasonable one. I did not ask it in order to cause him annoyance. I asked it to see if it were not possible that we could reach agreement at least as to what we were discussing in this debate. He characterized my question as a clumsy or ungainly one, thus obviously showing his annoyance at the question. Then he went on to make a long-winded answer, which did everything but answer the question I asked.

Mr. MERRITT: Ask it again.

Mr. CLEAVER: If there is anybody in doubt as to which utterance was ungainly, I would even suggest to my hon. friend that he read his answer. I will not call it ungainly, but I will say it is not an answer at all. It wandered all over the question but did not answer it.

Mr. JACKMAN: The answer was too direct to suit you.

Mr. CLEAVER: My question was simply this. We all agree that only parliament can impose these taxes. I ask the hon. member this question. If I pay this tax in advance and this parliament does not pass the measure, does not impose the tax, could I get a refund of the amount paid, by legal procedure?

Mr. MANROSS: Hire a lawyer.

Mr. CLEAVER: The hon. member is a lawyer, and I should like an answer to that question. I am not asking for an answer from any of the others who are making so much noise.

Mr. MERRITT: I will answer the hon. member. As a matter of fact, in the case cited by the hon. member for Kindersley, Bowles vs. The Bank of England, this kind of tax was held unconstitutional and in direct defiance of the Bill of Rights by an English court. In his judgment the learned judge doubted whether there was any process of law which would enable a person so taxed to recover what he had paid. If the hon. member wants an answer to the question the best I can do is quote the only authority I know, which indicates doubt whether there is any process which would enable any person to recover his tax.

Mr. CLEAVER: I read the authority to which my hon. friend referred, a quite recent case, with judgment given in 1913, I believe; and my understanding of that authority—I shall read it again, of course—is that there was a distinct ruling by the court that no tax was imposed until parliament passed the taxation measure. I contend that my hon. friends across the way fail to distinguish between the imposition of a tax and the notification that parliament will be asked to impose a tax. I add that the extent to which the public and business generally in this country have responded to the minister's announcement,

and have paid and collected this tax, is an indication of what? It is an indication of the confidence business in this country has in an announcement by a minister of this government. If they had no confidence in the ability of the minister to have parliament implement that announcement by the actual imposition of the tax, then the business life of this country would have rebelled, if they had felt safe in doing so. They would have said, "We will not collect the tax. It is not imposed yet, and it never will be imposed". We all agree that only parliament can impose it, but who can show me anything unconstitutional in parliament making a tax retroactive? My hon. friends are driven to argue that the parliament of Canada cannot impose a tax retroactively, if they are to support all these arguments we have heard tonight.

Mr. MERRITT: I see the Secretary of State for External Affairs in the chamber. He was formerly the Minister of Justice and, as everyone knows, is a distinguished lawyer. The Minister of Justice is not here at the moment, nor is the Prime Minister. I think the committee is entitled to hear from both those right hon. gentlemen on this point, but I wonder if the Secretary of State for External Affairs would say whether, in his opinion, the procedure followed of announcing and collecting the tax, while parliament was not in session, is in keeping with the Canadian constitution.

The DEPUTY CHAIRMAN: The hon. member for Vancouver East.

Some hon. MEMBERS: Answer.

Mr. MacINNIS: The Secretary of State for External Affairs will have plenty of time to answer if he wishes. I just rose to take issue with the reason given by the hon. member for Halton as to why this tax is being paid. Surely the reason is not that the people have confidence in the government and consequently have paid the tax. As I see it, the reason I and everyone else pay the tax is that if you do not pay it you do not get the goods. It is the same as when you are held up on a street corner on a dark night, when you meet a man and he says, "Hands up". You put your hands up. That is just what happened on November 17. The Minister of Finance said he was imposing a tax, and there was nothing phony about that. There was nothing fictitious about it either. He imposed the tax and the collectors of the Minister of National Revenue collected it. It had nothing to do with whether or not the person paying the tax had confidence in the government. For instance, the hon. member for Muskoka-Ontario might want to bring in some goods from the United States. He definitely does not have confidence in the government; he has said so. Nevertheless he would have to pay the tax. So that we might as well get away from this phony talk and agree that the minister or the cabinet has imposed the tax in the hope that parliament will approve it. I imagine the minister realized that he had sufficient support in the house that the tax would be imposed.

I am going to leave the constitutionality of the matter to the lawyers, but we should accept the fact that the government is imposing and collecting the tax without the consent of parliament. So let us get away from all this talk that we are not imposing the tax. Of course we are; and when I say "we" I mean the government. And let me repeat that the people are paying the tax, not because they have faith or confidence in this government, but because they cannot carry on their business unless they pay it.

Mr. MACDONNELL (Muskoka-Ontario): I had no intention of speaking further, but after listening to the hon. member for Vancouver-Burrard; after realizing that apparently this matter is regarded as a joke by a good many people on the other side of the house, since I regard it as a serious matter I determined to say a few words about it. Speaking as one Mac to another, it was refreshing to hear a little wave of common sense after all this talk. The hon. member for Vancouver East made it clear when a tax is a tax, and got away from all this hair-splitting that there is no tax and that you do not need to pay the tax, when here we have an instruction which has gone out to every customs inspector, and when instances have been given in this house where goods could not be brought in without the tax being paid. So is it not time we stopped talking about there being no tax? Let me say this: We have had a lot of talk in here about a long word called "constitutionality. I want to talk about a very short word called "law." This tax—and it was a tax, and intended to be a tax, and collected as a tax, and accepted by the people of Canada as a tax—was a lawless tax.

In the house yesterday we were in general agreement, everyone was talking about a group of people in this country who believe in lawlessness, who are going to try to practise lawlessness and to destroy our dearest privileges and our way of life. What do we find here? We find, first of all, and for no valid reason at all—because no reason has been given; the reasons given, or supposed to be

given by the hon. member for Halton the other night were frivolous in the highest degree —we have lawlessness.

Let me read the words used in this House of Commons some years ago by the present Prime Minister; and then see if members opposite will laugh that off, as they tried to laugh off what was said earlier in the evening. This is what the Prime Minister said, speaking in the House of Commons in 1931, as reported at page 4413 of *Hansard* for that year:

> The fundamental tradition in all that pertains to responsible government is that the people's representatives in the House of Commons must exercise control over taxation and that that right must never be taken away from them.

An hon. MEMBER: What is the matter with that?

Mr. ABBOTT: Of course.

An hon. MEMBER: We all agree with that.

Mr. MACDONNELL (Muskoka-Ontario): You all agree with it, in words; but in action, it was not done.

The minister said tonight; he has been frank tonight in saying that he does not know how far back you can go before parliament is summoned. In this instance it was three weeks. He has been frank enough to say that he does not think three weeks is the limit. I think he said it might be three months. I do not see why, on the same reasoning, it should not be six months.

I am surprised and disturbed that hon. gentlemen opposite, whom I respect, do not seem even willing to look at this question. They seem to be ready to put it aside and to deal with it as if there were no substance involved in it. If you can impose a tax of this kind—and it is a tax—then the people of Canada had money taken out of their pockets for three weeks, and without any authority at all. The analogy between that and the budget speech in parliament has been exploded here, and I need not explode it again. But what I want to say is this: We are coming to a situation where parliament is being asked to validate this action. I hope, whatever other action is taken with regard to this measure, whatever other defects are found in it, that it will be refused passage; but, if it is passed, then I hope this House of Commons will insist—and like the hon. member behind me I appeal to hon. gentlemen opposite that it be made retroactive only to December 5 last, when parliament met. If this House of Commons validates it from December 5 back to November 17, then all I can say is that they are condoning an act of lawlessness.

[Mr. Macdonnell (Muskoka-Ontario).]

An hon. MEMBER: Rubber-stamp.

Mr. MACDONNELL (Muskoka-Ontario): Yes, the expression "rubber-stamp" is used. But I am stating it is lawlessness, and it is lawlessness. There has been an expression used by the minister; and with all my respect for him I have been grieved more than I can say that the minister seems to have considered this as a kind of joke. I am not holding the minister to the words he used, but he said he would do it the next time by press release. I think the minister was a little perturbed at having said it, and afterwards, when he was pressed on the question, he was at pains to say that he was joking.

Mr. ABBOTT: I have to listen to so much in the course of the discussion that perhaps it is understandable that I become a little facetious at times.

Mr. MACDONNELL (Muskoka-Ontario): I complain that the minister should consider as facetious something which is important. There is nothing facetious about it.

And one final reason, one final comment: We have been given one main reason in the fact that this great emergency arose and that parliament could not have been assembled in time to deal with it. What was the reason? The reason given the other night by the hon. member for Halton was the same reason, I think, that the Prime Minister gave in the house before Christmas, namely, that we could not show our hand and show our difficulty until trade treaties were passed. I think they were signed a day or two before November 17. Anyway, it was just before that.

Mr. CLEAVER: And you call that a facetious reason?

Mr. MACDONNELL (Muskoka-Ontario): I say that is a sharp reason. If we were holding it back so as not to give an account of what we intended to do, and so as to try to get other people to enter into agreements and then take them by surprise later on, then all I can say is that that is the kind of thing which, in business life, would be regarded as sharp practice and, indeed, I think I would be safe in saying that it would be sufficient to set aside an agreement entered into. Even if we did accept this reason, what earthly reason was there that parliament should not have been called some weeks before November 17 when the minister made his speech? The notice did not need to give chapter and verse for everything to be done; and if the notice had said that we would deal with a shortage of United States exchange, it would not have been telling anyone any secret. The world knew we were short of it by that time. So I

say that the reason was utterly invalid, and that for no emergency the government has committed this act of lawlessness and now asks us to rubber-stamp it and to put it through.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Question.

Some hon. MEMBERS: Eleven o'clock.

Mr. ADAMSON: Mr. Chairman, I wish to read one paragraph into the record.

Some hon. MEMBERS: Eleven o'clock.

Mr. ADAMSON: I believe it is important, with regard to the tax.

Some hon. MEMBERS: Eleven o'clock.

Mr. ADAMSON: The minister and several members have said they did not know how these taxes have affected certain of the industries. I have figures here to show how they have affected the radio receiver industry, and I think they are important.

Mr. GREEN: Eleven o'clock.

Mr. ADAMSON: One paragraph states:

As an indication of how drastically these measures have effected the production and sales of our member companies, their production and sales of radio receivers in November, 1947, were 103,329 and 102,300 respectively. In December, production dropped to 71,000 and sales to 86,573. In January, 1948, sales dropped to 39,608 receivers and production to 48,811.

Some hon. MEMBERS: Eleven o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: There is on the order paper a resolution standing in the name of the Minister of Veterans Affairs for the introduction of a bill to deal with the War Veterans Allowance Act. That has not yet been advanced to the stage of government orders, and the minister could not do more with it tomorrow than to advance it one stage. I understand, however, there is a desire that the bill be introduced and referred to the committee on veterans affairs. If there were unanimous consent that could be dealt with tomorrow, and it would be the first order.

If there is not unanimous consent, the first item—

Mr. GREEN: The minister means that the whole thing should be allowed to go to the committee on veterans affairs without any discussion? We cannot give any such undertaking as that.

Mr. ST. LAURENT: Then it will have to follow its regular procedure. The minister will advance it one stage, so that it will be under government orders. The first item will be second reading of Bill No. 135, to amend the Canadian Wheat Board Act; following that, the resolution respecting the Agricultural Products Act, and then we shall go into committee of ways and means on the resolution we have been discussing this evening.

Mr. KNOWLES: Might I have one point made clear with respect to the wheat board act? Is it the intention after second reading, if that is reached tomorrow, to go into committee on the bill tomorrow?

Mr. ST. LAURENT: The intention is to go into committee of the whole on the bill, as is usual after second reading.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, March 19, 1948

The house met at three o'clock.

PRIVILEGE

MR. ZAPLITNY—REFERENCE TO NEWS ITEM IN WINNIPEG "CITIZEN" OF MARCH 17

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, I rise to a question of privilege. My question arises out of a news item appearing in the Winnipeg *Citizen* of March 17, reporting on the debate which took place in this house on the wheat bill. In the item the hon. member for Springfield (Mr. Sinnott) is quoted as saying:

If the hon. member for Portage la Prairie (C.C.F., Miller) had stopped speaking on Friday last, we would have had this bill through the house now, he commented.

The hon. member for Portage la Prairie, to my best knowledge and belief—and I should know, being chairman of the Manitoba C.C.F.—is not a member of the C.C.F.

Mr. ROSS (Souris): Hear, hear; I will vouch for that.

Mr. ZAPLITNY: There may be an attempt at infiltration there, but it has not been successful.

Mr. ROSS (Souris): Not a particle; don't alarm yourself.

MR. SMITH—SALE OF INTEREST OF IMPERIAL OIL IN INTERNATIONAL PETROLEUM

Mr. A. L. SMITH (Calgary West): On a question of privilege, I wish to call the attention of the house to an announcement in today's papers; I am sure it will please every hon. member. Imperial Oil have sold their interest in International Petroleum which operates in South America for $80,000,000. The money is to be spent in Alberta for oil development. We can now look forward to the day when Canada will be independent of all foreign sources for its oil supplies. I think the Minister of Finance will also be pleased about these United States dollars.

Mr. MacKINNON: And the Minister of Fisheries.

IMPORT RESTRICTIONS

LETTER FROM MR. HOWE TO MR. ABBOTT IN RESPECT TO CERTAIN GOODS AND EQUIPMENT

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I desire to lay on the table copy of a letter from myself to the Minister of Finance recommending that certain goods and equipment be placed on the list of restricted items for import.

[*Later:*]

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Earlier this afternoon the Minister of Trade and Commerce tabled a letter that he said he had written to the Minister of Finance in respect to extra import bans which he thought should be put on. Will that letter be published in *Hansard,* or can the minister give a list of the goods now?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): It will be published in the newspapers. It has not been customary to put communications of that kind on *Hansard.* I suppose it could be done if the house wishes it.

Mr. FRASER: I think members of the house should have it instead of having to go to the newspapers for it.

Mr. MacINNIS: Referring to the question raised by the hon. member for Peterborough West, may I suggest to the Minister of Trade and Commerce that he ask the consent of the house to have the paper which he tabled appear on *Hansard?* It is an important paper. Such documents are usually read in the house before being tabled. I think the house would be glad to give consent.

Mr. HOWE: As my hon. friend knows, the Minister of Trade and Commerce is in an extraordinary position in trying to carry out the dollar saving policy with no legislation. He has been in that position for several months. This letter is simply one to the Minister of Finance recommending a certain course of action. All I can say is that a press release will issue this afternoon giving the full

particulars. I see no purpose in burdening *Hansard* with a letter of that kind.

Mr. FRASER: May I ask the Minister of Reconstruction and Supply and Trade and Commerce if he will not table the letter to which reference has already been made?

An hon. MEMBER: It is too late.

Mr. SPEAKER: Order.

Mr. FRASER: Just a minute. I believe the house should know—

Mr. SPEAKER: Order. The hon. member has already put his question.

Mr. FRASER: I should like to put it in a different way. I should like to ask the Minister of Trade and Commerce if he is asking that this be done under the foreign exchange control board, or just how is it to be done?

Mr. CRUICKSHANK: Under nails.

Mr. FRASER: We are still short of nails.

Mr. HOWE: The letter is tabled. The Minister of Finance will invoke the foreign exchange control board as being the only avenue open to him as long as opposition members hold up passage of his legislation.

Mr. MACDONNELL (Muskoka-Ontario): If the minister will not put the letter on *Hansard* as requested, will he not give us some reason other than the entirely inaccurate one he gave a moment ago?

Some hon. MEMBERS: Oh, oh.

Mr. HOWE: The customary method, Mr. Speaker, of informing members of the House of Commons about the contents of a document is to lay that document on the table of the House of Commons. That I have done.

INCOME TAX

FARMERS—STATEMENT ON NET WORTH PORTION OF RETURN

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, some days ago I promised to make a statement with reference to farmers' income tax returns, and I am now ready to implement that promise. Further consideration has been given to the matter concerning the net worth statement set out in the 1947 T.1 prairie farmers and farmers' income tax returns.

I cannot emphasize too strongly that it is in the farmer's own interest as a citizen and taxpayer to provide accurate and complete information of his activities so that he can be dealt with in the same way as every other taxpayer in the country.

[Mr. Howe.]

The department has placed in the hands of the farmer guide books which should prove of great value in maintaining proper information as to the operation of his farming business, and therefore should be of great help to him in completing his tax return. It will be beneficial to the farmer if he will carefully read the book and the form and attempt to complete it in its entirety.

It has been the experience of the department that many farmers reporting income do not maintain book-keeping records of their affairs. Our assessors have found in innumerable instances that, to determine the taxable income of the average farmer, it has been necessary to prepare, with the farmer's assistance, of course, a statement of the farmer's net worth and therefrom to calculate or estimate the taxable income.

To assist the farmer and to facilitate the assessing, the 1947 form was evolved, and included with it on page 5 is a statement of net worth. It was proposed that the farmer would complete this statement at the time he completed the return and that the department's assessors would then be in a position to proceed to the determination of the taxable income expeditiously and, in a great many cases, without further reference to the farmer.

It is now represented that this statement of net worth is too complex and that the average farmer will find it impossible to complete it without assistance. It would be impossible, except at a great cost, to build up the staff of the department to enable officials to call on every farmer in Canada for the purpose of assisting in the preparation of income tax returns.

The department therefore has decided that (a) those farmers who report their income for 1947 on a cash basis need not complete the farmer's net worth statement section of the return. There may be individual cases where, after the filing of the return, the department will require from a farmer, as from any other taxpayer, in order to make a proper assessment of his income, a statement of assets and liabilities of his business, or other additional information which, in such cases, will be requested in the usual manner. (b) Those farmers who report 1947 incomes on an accrual basis must attach to the return a statement of assets and liabilities, as heretofore, or complete the appropriate parts of the net worth statement attached to the return.

Objections have been raised with reference to net worth statement for fishermen. The adjustment of this matter is being given consideration.

Mr. ISNOR: Can the Minister of National Revenue make a further statement about the fishermen? He said the matter was being given consideration.

Mr. McCANN: I will do so at a later date.

Mr. HARKNESS: May I ask a question of the minister? What will be the situation of farmers who have already on a cash basis turned in their income tax returns with this net worth statement filled out? Will they be required to continue to do that in future years?

Mr. McCANN: That is a matter which will have to be given further consideration and determined from year to year.

Mr. HARKNESS: Why?

Mr. CASTLEDEN: In view of the minister's statement in respect to farm income tax, what arrangements have been made to give publicity to the department's decision as to net worth statement on farm income tax forms? This is March 19.

Mr. McCANN: That is a departmental affair which has already been arranged, and full publicity will be given the matter.

Mr. TUSTIN: I understood the Minister of National Revenue in his statement to refer to "prairie farmers and farmers". Was he then referring to the eastern farmers as well as the farmers of the west?

Mr. McCANN: It covers all the farmers of Canada. The reference to prairie farmers and other farmers had relation to the two types of guide and account books.

Mr. CRUICKSHANK: The farmers who work and those who do not.

Mr. TUSTIN: Then I also understood the minister to say assessors were sent out from his department who, with the assistance of the farmers, made up these statements so the farmers could be assessed for income tax. How many years do they go back in arriving at those statements?

Mr. McCANN: That depends entirely on the individual case.

HOUSE OF COMMONS

EASTER RECESS—MEMBERS TRAVELLING EXPENSES —INTERIM SUPPLY

On the order, "Government notices of motion":

That when this house adjourns on Wednesday, March 24th instant, it stand adjourned until Tuesday the 30th instant.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I indicated earlier in the week that I would have something further to say about this resolution today. As hon. members know, the government is hoping that we shall get through on Wednesday afternoon. In some respects the house has not made quite the progress this week that we had hoped it might make; in other respects we have done perhaps even better than we had expected. I think I should allow the motion to stand until Tuesday. By that time it will be possible to know definitely whether we can afford to adjourn on Wednesday afternoon. I may say that if it appears reasonably certain that we can complete by Wednesday afternoon such essential business as I shall now indicate, the motion will be amended so as to read that when the house adjourns on Wednesday, March 24, it shall stand adjourned until Monday, April 5.

The Minister of Finance has authorized me to say that provision will be made in the supplementary estimates for members' travelling expenses to and from their homes, as has been provided for other short recesses during the past few years. Those who find it more convenient to travel by air will be entitled to do so.

I wish now to indicate what remains to be covered between now and the close of Wednesday afternoon if we are to adjourn at that time. If we are not through by Wednesday at six o'clock we shall have to sit, I think, on Wednesday night and possibly also on Thursday. There are amendments to the wheat act. That will be the first item taken up this afternoon. Then there is the Agricultural Products Act which has to go through different stages; then amendments to the emergency tax legislation, covering amendments to the Excise Tax Act and the Customs Act, including the imposition of new taxes and the removal of the old ones.

These have all been mentioned before. I am not certain that I said anything definite about supply. The Minister of Finance did make some reference thereto. There are some supplementary estimates to be brought down for the present fiscal year with the resulting supply bill, and then there will be an interim supply bill.

In regard to the supplementary estimates, I would say that so far as discussion on these is concerned the government will expect naturally that there will be some debate, but there will not likely be an item in the supplementaries that will not be paralleled by what appears in the general estimates, under which discussion on parallel items could take place later on. I think that covers all I have to say at the moment.

Mr. BRACKEN: May I ask whether the Minister of Finance has decided to deal with interim supply before the Easter holidays?

Mr. ABBOTT: Yes. I have given further consideration to the matter which was raised by my hon. friend the other day and after discussing it with the officials I have come to the conclusion that since we are to adjourn presumably until April 5 it would be embarrassing if we did not have the usual vote of interim supply for the commencement of the new fiscal year on April 1. Therefore it will be my intention, on Tuesday perhaps, to bring in the usual interim supply bill. I shall perhaps discuss with the leaders, first, the question of how much should be asked for, and so on, and endeavour to arrange to have it put through expeditiously, if that meets with the wishes of the house.

Mr. BRACKEN: If I may do so, I wish to assure the Minister of Finance that on the matter of interim supply there will be no delay whatever. We recognize that money has to be available and I am sure that after the Prime Minister's statement today with respect to one feature of the Easter holidays, there will be a disposition on the part of some to hurry up the business in the next three or four days.

May I take this opportunity to make one suggestion. The measures which it is essential to pass in the next three or four days are measures which, I believe, everyone in this house wishes to see disposed of. Might I suggest to the government that one item that might be left until the last is the discussion of the excise tax. The government may not be disposed to see it that way, but certain of the other items, I gather, have to be disposed of. With respect to that one item, I suggest that it be left until the last. I make that suggestion with respect.

Mr. ABBOTT: If I may answer my hon. friend, on the Excise Tax Act we have had quite a long discussion in the committee stage and I feel, Mr. Speaker, that it is a measure which I must press forward before we adjourn.

WAR VETERANS ALLOWANCES

PROVISION FOR NEGLECTED OR DEPENDENT CHILDREN, INCREASED PERMISSIBLE INCOMES, ETC.

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved:

That it is expedient to amend the War Veterans Allowance Act to extend the provisions thereof to a neglected child or children of a deceased veteran and to a veteran with a dependent child or children in special circumstances; to allow for increased permissible incomes and to provide supplementary allowances. Provision is also made to increase the annual salary for members of the war veterans' allowance board.

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

Motion agreed to.

MOHAWK AIRPORT

QUESTION OF DEMOLITION OPERATIONS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, in the absence of the hon. member for Hastings South (Mr. Stokes), who has been called home this afternoon on important public business, I wish to ask a question of the Minister of National Defence. I have been unable to give him notice, so perhaps he will take this as notice of the question. Information has come to the hon. member that this week a wrecking crew began to demolish the Mohawk airport near Deseronto in his constituency. In view of the fact that this was built as a permanent camp, and further in view of the present international situation, will the minister investigate the matter to see if it is possible to reverse the government's policy in this regard?

Hon. BROOKE CLAXTON (Minister of National Defence): I shall be glad to look into it.

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO INCREASE IN PAY AND ALLOWANCES

On the orders of the day:

Mr. E. B. McKAY (Weyburn): I wish to direct a question to the Minister of Finance, a copy of which I have forwarded to his office. When can the house expect an announcement of the pay and allowances increase for the uniformed and plain-clothes members of the Royal Canadian Mounted Police?

Right Hon. J. L. ILSLEY (Minister of Justice): The matter to which the hon. member refers has not yet gone before council for its decision. I expect to place it before council early next week. After that an announcement will be made, but following the practice as to announcements with regard to increases in the civil service, I expect it will be given to the press in the form of a press release rather than taking up the time of the house with it.

CRIMINAL CODE

REQUEST FOR EARLY INTRODUCTION OF AMENDMENTS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to direct a question to the Minister of Justice. Will it be possible for him to bring in at an early day first reading of the bill to amend the criminal code? I notice that the Ontario legislature may be adjourning in a day or so, and there are several legal bills before it. In the Quebec legislature a bill has been introduced by their attorney general to appoint six additional superior court judges for that province, as well as other legal bills. Will the minister not have time between now and the Easter recess to introduce and have read for the first time the bill to amend the criminal code?

Right Hon. J. L. ILSLEY (Minister of Justice): It is not my expectation that it will be possible to introduce the criminal code amendments until some time in April.

UNITED NATIONS

INQUIRY AS TO NATIONAL COMMISSION IN RELATION TO UNESCO

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): I wished to direct a question to the Secretary of State for External Affairs, but as he is not in his seat I might ask his parliamentary assistant to take note of it and bring it to his attention. When does the government intend to appoint and set up the national commission in relation to the united nations educational, scientific and cultural organization under the legislation that was passed two years ago?

Mr. W. E. HARRIS (Parliamentary Assistant to the Secretary of State for External Affairs): I shall be glad to draw that question to the attention of the Secretary of State for External Affairs.

LUMBER

SHIPMENTS THROUGH CHURCHILL—NEGOTIATIONS WITH BRITISH TIMBER BOARD

On the orders of the day:

Mr. R. R. KNIGHT (Saskatoon City): I wish to direct to the Minister of Trade and Commerce a question of which he has received a copy. Are negotiations proceeding between the British timber board and the Canadian government with a view to making arrangements to facilitate the purchase by Britain of lumber now being prepared for shipment through the port of Churchill?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I know of no such negotiations. I have not been advised that anyone desires to sell lumber to the British timber controller from that area. In any event the British timber controller makes his own arrangements for purchasing timber from Canada, the government acting only to facilitate his purchases.

NATIONAL REVENUE

INQUIRY WITH RESPECT TO ALLEGED COMMUNIST ADVISERS

On the orders of the day:

Mr. PATRICK H. ASHBY (Edmonton East): I wish to direct a question to the Minister of National Revenue. Is he aware that he is being advised by communists and is actually using the methods advocated in the communist manifesto in order to establish a totalitarian state in Canada?

Mr. SPEAKER: Order.

Mr. ASHBY: I should like the minister to answer the question.

Hon. J. J. McCANN (Minister of National Revenue): I have not been aware of any such advice, Mr. Speaker. If the hon. gentleman can produce anything which will convince me that I am getting that type of advice, I shall be glad to have it.

STRAIT OF CANSO

INVITATION TO MINISTER TO VISIT CAPE BRETON ISLAND TO DISCUSS PROJECT

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Transport. I did not send him notice of it because the answer would not require much research. Has the minister received an invitation to visit Cape Breton Island during the Easter recess for the purpose of discussing the Canso project? If so, is it his intention to accept that invitation?

Mr. LIONEL CHEVRIER (Minister of Transport): I have received no such invitation, Mr. Speaker, although I saw something about it in the press. When I receive the invitation I shall be glad to give it consideration.

Mr. GILLIS: I am giving the minister one now, and I should be glad to go with him.

HOUSE OF COMMONS

SALARY INCREASES TO EMPLOYEES—QUESTION AS TO RETROACTIVITY

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to direct a question to the Minister of Finance. Will there be an announcement soon regarding pay increases retroactive to last October for employees of the House of Commons?

Hon. DOUGLAS ABBOTT (Minister of Finance): I think there will be an announcement fairly soon with respect to the position of salaries of employees of the House of Commons. I am not prepared to say to what, if any, date it will be retroactive. But there is nothing in the regulations which prevents it from being made retroactive to any date that may be appropriate.

CHARLOTTETOWN HARBOUR

MARINE SLIP—INQUIRY AS TO LOCATION AND TYPE OF CONSTRUCTION

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): In view of the press information that dominion engineers, borings branch, Department of Transport, have been in Charlottetown, Prince Edward Island, determining a suitable location for the construction of a marine slip—

Some hon. MEMBERS: Order paper.

Mr. McLURE: My question is this.

Mr. SPEAKER: I would ask the hon. member to put his question, and not to give information to the house.

Mr. McLURE: My question is this. When will the Minister of Transport be able to give the house a definite decision regarding the type of slip to be constructed and when will construction of it begin?

Hon. LIONEL CHEVRIER (Minister of Transport): I am sorry, Mr. Speaker, I could not hear the hon. member's question. I will read it in *Hansard* and give him an answer later.

Mr. McLURE: I will read my question again. I desire to ask the minister—

Mr. SPEAKER: Order. I suggest to the hon. member that he has asked his question, which will appear in *Hansard,* and the minister has said he will take note of it and answer on a later occasion.

[Mr. Gillis.]

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed from Thursday, March 18, consideration of the motion of Mr. Howe for the second reading of Bill No. 135, to amend the Canadian Wheat Board Act, 1935.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, when the house rose at six o'clock yesterday it was not expected that this matter would be further dealt with that day. After we left the chamber—and I wish to compliment the government and the house on the plans that were made—provision was made to permit the hon. member for Selkirk (Mr. Bryce) to make his remarks. I believe the leader of the house at that time is to be commended for making it possible for the hon. member, who could not be here today, to make his speech. I understand further that some provision was made to permit me to continue today the remarks I had commenced before six o'clock yesterday, and I want to thank the hon. members responsible for the provision they then made. I do not expect that my remarks today will take more than fifteen minutes, and as far as I am aware this will be the last contribution from this side of the house at this stage of this measure.

When we rose at six o'clock yesterday I was in the midst of discussing the four main features of this bill: first, the pension plan; second, a further payment to the farmers of their own money; third, the proposed power for the board to handle wheat products as well as wheat; and fourth, the compulsory requirement that farmers must sell their oats and barley to the wheat board and no one else.

I had pointed out that we supported the principle of pensions for the employees, but that we were opposed to making the farmers pay half the cost. I had stated that we favoured the government paying the farmers a large part of the farmers' money, which has been withheld from them. I suggest now that when added to the initial payment of $1.35 the total, if possible, should be equal to the present parity price of wheat, which today is about $1.80. Even though the amount on hand is large there may not be enough to bring the payments up to that amount, but if there is not enough the payment should be as large as possible, approaching as nearly as possible the figure I have mentioned.

I had indicated that the expansion of the measure to provide that the board shall handle wheat products as well as wheat was not a very great expansion, and that it had some measure of merit but also that there was some opposition. I suggest that when we get into committee the minister elaborate that point further.

I had indicated also that we are opposed to compelling the owners of oats and barley to sell those products only to the wheat board, thus denying them the right to sell anywhere else if they wish to do so.

In expanding upon these points separately I stated with respect to the pensions proposal that we favoured it in principle; that we saw no reason to object to the employees paying half the cost of their pensions, but that as long as the board is being used for the purposes of the government we were opposed to the farmers being forced to pay half the cost of those pensions. I stated that the imposition upon the farmers of the burden of half the cost of this pension scheme raised a basic question, namely whether this was a farmers' board or a government board. If it is a farmers' board the farmers might reasonably be expected to bear half the cost of the pensions. If on the other hand it is a government board the government itself should bear that expense, and it should not be a charge upon the farmers.

The important question before us, therefore, is: whose servant is the wheat board? Is it the servant of the farmers who are compelled to use it, or is it the servant of the government which appoints it and on occasion dictates to it? When the original act was passed in 1935 it was very clear that the wheat board was to sell the farmers' wheat to the best advantage to the farmer in the way of the total price received, the stability of the prices paid the farmer, and the orderly marketing of the product. It was then clearly a board not only designed to function but allowed to function primarily in the interests of the farmers; but it is very clear now that under the present policies of this government the wheat board is a government board. It was not only appointed by the government; it is dictated to by the government and is being used by the government for its purposes, not primarily in the interests of the farmers but primarily for the purposes of the government. In carrying out these purposes the government has not hesitated to sell the farmers' product on occasion at less than it might have been sold for. As far as oats and barley are concerned, I predict that the board will be selling them at less than they could be sold for if the board is given a monopoly in the handling of these products. Under these conditions we say the government, not the farmers, should pay that portion of the cost of the pension scheme which is not paid by the employees themselves.

The second feature of this bill gives the board power to pay back to the farmers at least a part of their own money. It carries out in part, after much delay, what we have urged from the beginning in this matter. From the beginning we favoured a larger initial payment than $1.35 per bushel. But that was not done. From the beginning we favoured paying participation certificates at the end of each year. That was not done. We are opposed to the government holding back large sums of the farmers' money. But the government has held them back. The government is now said to have in its possession some $230 million of the farmers' money.

The government, after long delay, now plans to give back part of this money that it is holding back. It does not tell us exactly how much. It says it will be an increase in the initial payment. The name does not matter much; the payment is what counts. We are in agreement with the proposed increased payment, whatever its amount. I suggest that with the proposed international wheat agreement in prospect, the figure commonly reported of twenty cents a bushel is not enough. It is not nearly a parity price. We favour the payment of as large an amount as is possible at this time.

As I said a minute ago, the farmers should have an amount that approximates the present parity of $1.80. I am aware that because of our British contract—because of having sold two-thirds of the crop at low prices, probably there is not enough money there to reach that figure at this time. In those circumstances I suggest that a payment out large enough to reach as nearly as possible that figure should be made.

The third feature of the measure is that which proposes to give the board power to handle wheat products as well as wheat. Since the act as it now stands gives the board complete power over wheat, it is no great departure to give it the same powers over wheat products. However there have been some protests against this feature. We see both advantages and disadvantages in it. The board got along without it up until now. As I said a minute ago, we ask the government when in committee to give us more information to justify its position with respect to this aspect of the bill.

The fourth feature of the bill—and this is the one which has provided the most contention in the house—is that which would force farmers who grow oats and barley for sale to sell their products only to the wheat board, and to accept for it prices fixed by that board on the dictation of the government. We favour the wheat board being given power to handle oats and barley to the extent that farmers wish them to do so. But we are opposed to forcing farmers to sell to what has now become a government monopoly, if the farmers do not wish to sell to that institution.

We are opposed to this section of the bill because it compels farmers to sell to the wheat board, and denies them the right to sell anywhere else. We are opposed to this feature of the bill because we feel it means lower prices to farmers who produce oats and barley for sale.

As I have said, the purpose of the original act in 1935 was to market the farmers' wheat to the best advantage as regards total price stability of payments and orderly marketing. But the government is now using it as a national agency to serve another purpose. It is using it as a price control mechanism more than as an agricultural marketing board. And for that purpose it has sold in the past, and no doubt will sell in the future farmers' products at less than those farmers could get for their products if sold by themselves.

Instead of a price supporting agency, as it was originally intended to be, the government is using the wheat board as a price depressing agency in its plans to regulate price controls or price levels in this country. This is a complete perversion of the original conception of the wheat board act, and on that ground we are therefore opposed to this feature of the measure.

A second and related objection to this compulsory aspect of marketing oats and barley is that farmers are forced to sell to a government board at government fixed prices; they are forced to sell to a board administered by government appointees for the purposes of the government, a board which may not sell the farmers' products for the best prices obtainable. This means a substitution—and I shall use a word which I do not use in any offensive sense at all—this means a substitution of political prices in the place of market prices. And when I refer to political prices I mean prices fixed by a board appointed by the government.

If that practice is carried to its logical conclusion it means the suppression by the government of the normal economic laws of buying and selling. In my judgment, such a policy if continued long enough can have only one end, namely disaster to the wheat board and damage to the prestige of the co-operatives of this country. The policy of political prices for oats and barley will be just another nail in the coffin of the wheat board. It is this kind of policy that leads to the beginning of the end of that board as a marketing organization for farmers.

It has been suggested in this house that the government does not intend or expect to place oats and barley under the sole jurisdiction of the wheat board. It has been suggested that this is but a political move to influence the Saskatchewan provincial election, a political lifeline to the hon. member for Rosthern (Mr. Tucker) in his fight against the Premier of Saskatchewan. It has been suggested that this measure is a bit of political strategy brought forward to serve the purposes of a provincial election, rather than to serve the needs of agriculture.

I am not making that charge, Mr. Speaker, but I do wish to say that to the extent that such a suggestion is true this bill is a crude and cruel hoax on an important producing group in this country, those who produce oats and barley for sale. If the government is serious in pressing forward this feature of the bill, then I wish to say that we are against it because we are convinced that it will not serve the best interests of those it affects. If the government is not serious in this matter, then there is all the more reason to vote against it, because farmers should not be deceived by the government's pretending that it may do something, and then not doing it.

To summarize briefly what I have tried to say in these few minutes: We strongly favour the payment out to the farmers of their own money. We see some merit in other features of the bill, but we are opposed to that section of it which forces farmers to sell their oats and barley to a board which may, on the government's dictation, sell their products at less than they can be sold for elsewhere.

Mr. SPEAKER: When the minister speaks he will close the debate.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, this is the first occasion since I entered the House of Commons in 1935 that I have ever spoken on the subject of wheat. Perhaps I should follow the example of the hon. member for Calgary West (Mr. Smith) and give my credentials for doing so.

It seems to be accepted in the house that any member representing a seat between Whitemouth, Manitoba, and the Rocky mountains, is automatically an expert on wheat marketing. I come from Port Arthur, so perhaps I have to justify my position.

May I say that I came to western Canada in 1913 as engineer in charge of construction of terminal elevators for the board of grain commissioners. From 1913 to 1935 I spent my time in the company of wheat men. During the intervening years I discussed very little except the marketing of wheat and grain. I have been retained by every farm organization in western Canada that has an investment in terminal elevators, including the early co-operatives and the western wheat pools. I have been retained by considerably more than fifty per cent of the private terminal elevator interests of Canada. I have had clients who traded on every major wheat market in the world. Therefore I suggest that if I am not qualified to speak about wheat, I have been collecting fees from clients for a great many years under false pretenses.

I should like for a moment to touch on the subject of pensions for the employees of the wheat board. I cannot believe that there is serious opposition to this measure, or any substance to the suggestion that the salaries of the employees should be paid by the board, and pensions out of the consolidated funds of Canada. We all know that pensions are equivalent to salaries. The proposed pension plan will be about equivalent to a seven per cent increase in the salaries of the employees of the wheat board. The number of employees to be covered by the pension plan is 457. The total number of employees is 686, but of those 229 cannot be included in the scheme because some are under age, some have been employed for periods of less than one year, and some have reached the retirement age. The cost to the board, based on paying one-half of the 14 per cent required for the plan, will amount to $78,400 per year.

It has been suggested that the farmers of Canada will object to having this money paid from the funds of the wheat board. May I say that every farmers' co-operative has a pension plan and the pensions are paid for, as are the salaries of the employees, from the funds of the farmers who own the co-operatives. Practically every grain firm on the Winnipeg grain exchange has a pension plan for its employees. I presume that the revenue of those firms is derived from the wheat farmers just as the revenues of the wheat board are derived from handling the wheat of the farmers.

It was suggested during the debate that the wheat board is overstaffed and overpaid. I find no evidence of that in examining the position of the wheat board. I believe it is a compact organization with a hard-working staff. I know that the salaries, at least of the senior employees, are less than many of those employees received from the private firms that employed them previously. I suggest that the viewpoint of the farmer is being misrepresented by statements that he would object to the payment of these pensions. I have found that the farmer is as fair an employer as is any other employer in this country, and I speak with some experience. The farmer expects to pay a fair price for efficient service, and in this case I believe he will be glad to see the employees of the wheat board protected by a pension plan.

Then we come to the matter of the increase in the initial payment. There has been a good deal of criticism about the method of marketing wheat and the price received by the farmer. Various controversial statements about marketing have been made. It seems to me that this criticism overlooks entirely the situation of trading in wheat in the world today. Practically all wheat, in fact I think I can say all wheat, is sold from government to government. In other words, state marketing is practically universal at the present time.

Several speakers have mentioned a world price for wheat. I suggest that there is no such thing. There are no international exchanges doing business today as there were in pre-war days. In pre-war days there was a definite world price for wheat. If one market was out of line, another market would sell wheat into it until prices were equalized. Where are the markets today? The Winnipeg grain exchange, one of the great pre-war markets, is closed to wheat trading. The Bolsa in Buenos Aires is closed to wheat trading. The Baltic in London is closed to wheat trading. The Liverpool corn exchange is closed. The markets of Europe are all closed, as are the markets of Australia. Where in the world can a world price for wheat be found when there is no world trading in wheat?

I was interested in looking up the prices being charged in state marketing on a given date. Argentina was selling wheat to various countries at prices ranging up to $5 per bushel. Australia was selling wheat under a one year contract to the United Kingdom at $2.72 per bushel and to India at $2.98 per bushel. Chicago May futures closed on that date at $2.45½. Canada's class 2 price on that day stood at $2.75. Those prices represent the major world trading today, and where in that collection can you find a world price?

It will be said that the United States markets are still open. They are the only markets in the world that I know of that are trading in wheat today. But I would point

out that there is a difference between trading in international wheat and trading in domestic wheat. Canadian wheat cannot be shipped into United States markets because present customs tariffs provide for an entry of only 800,000 bushels of wheat per annum from Canada into the United States. Sales abroad are not made from United States markets. The only wheat that the United States is shipping is wheat bought by a government agency and shipped by that government agency. The Chicago price is a domestic price. We all know that speculation on that market grew to such an extent that it became a national scandal. The President of the United States denounced it, and the Secretary of Agriculture denounced it. The names of traders on the exchange were published. They numbered more than 3,000 large and small traders who were buying and selling wheat that they never had owned and never expected to own.

However, the Chicago market price is arrived at freely by buyer and seller and Canada has used it as a guide for its No. 2 wheat price. The No. 2 price is the United States price corrected for the higher protein value of Canadian wheat. The price arrived at in that way can hardly be called a world price, and I hope hon. members will not continue to refer to it as a world price. It is nothing more than the Chicago price corrected for protein content.

Mr. BENTLEY: Those who listen to Major Strange still call it the world price.

Mr. HOWE: Some of your colleagues have done the same thing. The leader of the opposition (Mr. Bracken) used the expression "political prices" in place of market prices, and he also mentioned sales in the interests of the farmer. What are the interests of the farmer? The interests of the farmer are to have a sure market, a stable market and a price that is fair. It is easy to find spot markets that will offer higher prices. Starving people, if they have money at all, are not in position to question the price that may be charged for the food they must have. That is why Argentina is able to sell its wheat up to $5 per bushel.

However, Canada has a special responsibility in a time like this. We are far and away the largest wheat exporting country in the world. We have a particular responsibility to our largest customer, the United Kingdom. Over the years the United Kingdom has been the country upon which Canada has depended to buy a large part of our exportable surplus of wheat. When war broke out Canada assumed the responsibility of seeing that the United Kingdom was supplied with wheat from this country. For a time it was sent as a gift, and later it was sent as mutual aid. The government felt that it was the continuing responsibility of Canada to see that Britain was supplied with wheat during the reconstruction period and at a price which Britain could consider reasonable. Therefore a four-year contract was made. That contract was submitted to the House of Commons, and I would remind hon. gentlemen that every member of the House of Commons voted in favour of ratifying that contract. It is well to keep that in mind when that contract is being discussed in this house. It is every hon. member's contract as well as the government's contract.

Mr. ROSS (Souris): Would the minister mind saying on what occasion it was ratified in the house?

Mr. HOWE: It was ratified only last year.

Mr. ROSS (Souris): In what form?

Mr. HOWE: Also ratified at the time it was signed.

Mr. ROSS (Souris): Only it was not.

Mr. HOWE: I remember the vote, and I remember that the then member for Parkdale was the only member of the House of Commons who voted against it. I remember that he resigned from his party a few days afterwards and went back to Toronto. That is my recollection.

Mr. ROSS (Souris): On a point of order, that agreement to my knowledge has never been submitted to this house and ratified as such.

Mr. FLEMING: And another thing, the agreement was not signed until after the hon. member for Parkdale had resigned his seat in the house. Let the minister stick to the facts.

Mr. SPEAKER: Order.

Mr. HOWE: I believe that that contract has worked out decidedly in the best interests of the farmers of western Canada. Today Canada has a place firmly established in the British loaf of bread. Today we are supplying 60 per cent of the wheat that goes into the British loaf. I remember that after a rather unpleasant difference with the United Kingdom in 1930 the position of Canada in the British loaf dropped as low as 20 per cent. I believe that Britain feels that Canada has treated her fairly in setting the current price for wheat. The price for the 1948-49 crop has been agreed on at $2 a bushel, and it is interesting to note that the three great

exporting countries of the world, meeting in Washington a few weeks ago. decided that the importing countries thought $2 was a fair maximum price for wheat to continue over the next five-year period.

It has been suggested in this house that the farmer is the only producer in Canada who has not been getting the last cent out of his product that could be obtained. That suggestion is entirely unrealistic. Let me discuss prices of one or two other basic products. Let us take newsprint as an example, the second largest export commodity in Canada. Newsprint is very like wheat in that it is produced from the natural products of Canada and it is largely sold in the world markets. I asked our export department to give me their opinion of the world price of newsprint over the last three or four years, and I was told that it ranged somewhere between $200 and $300 a ton. I know that I have had a good many callers from overseas and from the United States to ask for an allocation, saying that they were willing to pay up to $300 a ton for newsprint.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister permit a question? How does he arrive at a world price for newsprint?

Mr. HOWE: The price at which newsprint was being sold from other than Canadian sources, and the price that Canada could have obtained for newsprint, also the so-called grey market price in the United States.

Mr. MACDONNELL (Muskoka-Ontario): The reason that prompted me to ask the question is this. I do not understand how you can say that there is a world market for newsprint when you say there is no world market for wheat.

Mr. HOWE: There is a world market for wheat but no world price for wheat. I am giving the opinion of my officers as to what newsprint could have been sold for had the Canadian producers agreed to go out for the last cent they could get out of the newsprint.

What is the history up to the beginning of this year? No producer in Canada had ever charged more than $90 a ton for his newsprint. So far as I know there has never been a ton of newsprint shipped to the grey market or shipped to an unofficial market. The newsprint industry has believed it is wise to ship newsprint to their traditional customers and to price that newsprint at prices which the customer could afford to pay. The record indicates rather remarkable restraint. I think that the businessmen who operate our newsprint industry are able, wise and far-seeing. I have heard my hon. friends of the C.C.F. party refer to these same men as greedy monopolists. However, that has been the policy of these men. They have believed that it was better to protect a sure market and a continuing market for their newsprint, better to keep their customers solvent, and to keep relations good rather than to go after the last immediate dollar that they could get for that product. That is one analogy with the farmers' position. I would point out also that the newsprint manufacturers have always quoted a lower price to Canadian customers than they have quoted to their foreign customers.

Let us take another analogy. Let us take lumber. When the controls of lumber were lifted there were three prices for lumber. I am taking west coast lumber as an example. The Canadian price was $29 a thousand; the price to the United Kingdom was $60 a thousand and the price to the United States and to other spot markets was $87 a thousand. There again the lumber producer was protecting his domestic market because of ceiling prices, but hon. members will notice that he was also protecting his United Kingdom market by quoting prices that were only about two-thirds of world prices for lumber. Therefore let it not be said again that the farmer has been placed in a special position through the policy of selling his product to a continuing customer at a reasonable price, and a price that that customer would not consider a hold-up.

Reference was made to extending the control of wheat to wheat products. This is necessary to insure that all wheat used in domestic consumption returns to the five-year pool the full current price. Any system which permitted the miller to pay less than full current prices would mean that the amounts available to go to increase initial payment from the five-year pool would be short to that extent. I hardly think it is necessary to dwell on that point.

We come now to the section bringing the marketing of oats and barley under the control of the wheat board. I made a lengthy statement setting out the government's views of this section when I introduced the resolution preceding the bill. The government fully appreciates the difficulty of the course that is opening up in this direction, but it does feel that at the moment there is an overwhelming demand from the farmers of this country that the marketing of oats and barley be placed under the board. The government may be wrong in this, but I see no indication of it.

The hon. member for Calgary West (Mr. Smith) suggested that the Alberta wheat pool did not favour this course, and I am placing

this telegram from Ben Plumer, president of the pool, on *Hansard* because the telegram requests that I do so. It reads as follows:

Apparently as a result of certain discussions which took place at the annual meeting of Canadian Federation of Agriculture held in Brockville the latter part of January respecting the marketing of coarse grains the Winnipeg *Free Press* has persistently inferred in a series of editorial comments in their column as well as in certain news dispatches originating with their Ottawa correspondent that the Alberta wheat pool in some way has dissociated itself from other farm organizations in their demands on the federal government that the marketing of coarse grain be taken over by a government body. We also understand from press dispatches of earlier this week that the member for West Calgary, Mr. A. L. Smith, in his speech to the House of Commons in opposition to all coarse grains being marketed by the Canadian wheat board for a government body, indicated that our association was not favourable to coarse grains being handled in this manner. It is not quite true in the discussions at Brockville that our representatives expressed doubt as to the advisability of pressing the federal government to have the marketing of coarse grains handled by the Canadian wheat board in view of their present heavy responsibilities in respect to the marketing of wheat, flax and oil seeds and suggested a separate coarse grains board as an alternative. In accordance with our position as already outlined to you by our manager, Mr. R. D. Purdy, in a personal interview with you when in Ottawa some days ago, this will confirm that the Alberta wheat pool has consistently supported over the past several years, in conjunction with other farm organizations, the principle that all coarse grains should be marketed through a government board. We would ask that you arrange for this message to be read into *Hansard* as a means of definitely clearing up any doubt that our association has at all times consistently supported the principle that the marketing of all coarse grains should be placed under a federal government board and any statements or suggestions to the contrary are not in accordance with the facts.

Ben S. Plumer, Chairman,
Alberta Wheat Pool.

I have a somewhat similar wire from Roy C. Marler, president of the Alberta federation of agriculture, which I am not going to take the time to read.

I think that covers the remarks I have to make. It has been stated to me that I would have as much of this day to discuss wheat as seemed necessary for the purpose, but that if the bill failed to pass today it would have to hold over until after the Easter recess. That would mean more than two weeks' delay in getting out the cheques the farmers need to pay for their seeding expense. Therefore I hope that we can press this measure through and send it on its way before eleven o'clock this evening.

The house divided on the motion (Mr. Howe) for second reading of the bill which was agreed to on the following division:

YEAS

Messrs:

Archibald
Argue
Baker
Beaudoin
Belzile
Benidickson
Bentley
Bertrand (Prescott)
Bertrand (Terrebonne)
Blackmore
Bowerman
Bradette
Brown
Brunelle
Burton
Campbell
Castleden
Chevrier
Claxton
Cleaver
Cloutier
Coldwell
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cruickshank
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Eudes
Fair
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Portneuf)
Gillis
Gladstone
Golding
Gourd (Chapleau)
Grant
Gregg
Harris (Grey-Bruce)
Hlynka
Howe
Ilsley
Irvine
Isnor
Jaenicke
Jean
Johnston
Jutras
King, Mackenzie
Knight
Knowles
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Little
Low
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
McDonald (Parry Sound)
McIlraith
MacInnis
McIvor
McKay
MacLean
MacNaught
Marier
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Maybank
Mayhew
Michaud
Mitchell
Moore
Nicholson
Nixon
Probe
Quelch
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
Shaw
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Winkler
Wright
Wylie
Zaplitny—113.

NAYS

Messrs:

Adamson	Hazen
Ashby	Hodgson
Black (Yukon)	Lennard
Blair	Lockhart
Boucher	Macdonnell (Muskoka-Ontario)
Bracken	McLure
Bradshaw	McMaster
Brooks	Menary
Caouette	Merritt
Case	Mutch
Casselman	Pouliot
Charlton	Ross (St. Paul's)
Church	Ross (Souris)
Cockeram	Smith (Calgary West)
Ferguson	Tustin
Fleming	Webb
Fraser	White (Hastings-Peterborough)
Fulton	White (Middlesex East)—40.
Graydon	
Green	
Harkness	
Hatfield	

Mr. GIBSON (Hamilton West): I was paired. Had I voted, I would have voted in favour of the motion.

Mr. MACDONALD (Brantford City): I was paired, Mr. Speaker. Had I voted, I would have voted for the motion.

Mr. MARQUIS: I was paired with the hon. member for Charlevoix-Saguenay (Mr. Dorion). Had I voted, I would have voted in favour of the motion.

Mr. ABBOTT: I was paired with the hon. member for Stanstead (Mr. Hackett), Mr. Speaker. Had I voted, I would have voted for the motion.

Mr. MALONEY: I was paired. Had I voted, I would have voted for the motion.

Mr. CARDIFF: I was paired.

(Translation):

Mr. HÉON: Mr. Speaker, I am paired for the whole session with the hon. member for Joliette-L'Assomption-Montcalm (Mr. Lapalme). Had I voted, I would have voted against the motion.

Mr. GAGNON: I was paired with the hon. member for Levis (Mr. Bourget). Had I voted, I would have voted against the motion.

(Text):

Right Hon. C. D. HOWE (Minister of Trade and Commerce): In the debate on the resolution, Mr. Speaker, in response to a motion from the C.C.F. party that the bill be divided and the coarse grains section sent to a committee—

Mr. COLDWELL: It did not come from the C.C.F.

Mr. WRIGHT: On a question of privilege—

Mr. HOWE: I am simply making a statement as I said I would at this time. I said that after the second reading of the bill, before the Speaker had left the chair, I would move to take the power in committee to divide the bill in order to report one section and to send another section to a committee.

The purpose of that offer was to expedite the passage of the bill. I might point out that some eight days have elapsed since then, and every section of the bill has been thoroughly debated. The objective of saving time has not been achieved, and I see no purpose at the moment in putting this motion. However, having said I would do so I am willing to move it, but it is obvious, I think, that the motion will be voted down.

Mr. ROSS (Souris): The minister distinctly made the statement that he would adopt this procedure to divide the bill and refer section 5 to the agriculture committee.

Mr. HOWE: I move, Mr. Speaker, that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills, in order that one may deal separately with oats and barley.

Some hon. MEMBERS: No.

Mr. SPEAKER: Mr. Howe moves, seconded by Mr. Gardiner—

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: —seconded by Mr. McIlraith, that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills, in order that one may deal separately with oats and barley.

The house divided on the motion (Mr. Howe) which was negatived on the following division:

YEAS

Messrs:

Adamson	Ferguson
Ashby	Fleming
Benidickson	Fraser
Bertrand (Prescott)	Fulton
Black (Yukon)	Gladstone
Blackmore	Graydon
Blair	Green
Boucher	Harkness
Bracken	Hazen
Bradshaw	Hlynka
Brooks	Hodgson
Cardiff	Howe
Case	Ilsley
Casselman	Johnston
Charlton	Jutras
Church	Lennard
Cockeram	Lockhart
Fair	Low

Macdonnell (Muskoka-Ontario)
McIlraith
McIvor
McLure
McMaster
Menary
Merritt
Miller
Mutch
Pouliot
Quelch
Ross (St. Paul's)
Ross (Souris)
Shaw
Smith (Calgary West)
Tustin
Viau
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Winkler
Wylie—58.

NAYS

Messrs:

Archibald
Argue
Baker
Beaudoin
Belzile
Bentley
Bertrand (Terrebonne)
Bowerman
Bradette
Brown
Brunelle
Burton
Campbell
Castleden
Chevrier
Claxton
Cleaver
Cloutier
Coldwell
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cruickshank
Dèchene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Eudes
Farquhar
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gariépy
Gauthier (Portneuf)
Gillis
Golding
Gourd (Chapleau)
Grant
Gregg
Harris (Grey-Bruce)
Hatfield
Irvine
Isnor
Jaenicke
Jean
Knight
Knowles
Lafontaine
Langlois
Lapointe
Laurendeau
Leger
Little
McCann
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
McDonald (Parry Sound)
MacInnis
McKay
MacLean
MacNaught
Marier
Martin
Matthews (Brandon)
Matthews (Kootenay East)
Mayhew
Michaud
Mitchell
Moore
Nicholson
Nixon
Probe
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Thatcher
Townley-Smith
Tremblay
Tucker
Warren
Weir
Wright
Zaplitny—94.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, on a question of privilege, in view of the fact that the house has just defeated a government motion—

[Mr. Speaker.]

Some hon. MEMBERS: Oh, oh.

Mr. FLEMING: —is it the intention of the government—

Some hon. MEMBERS: Sit down.

Mr. FLEMING: —to take the honourable course of resigning—

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Hear, hear.

Mr. FLEMING: —or are they going to attempt to cling to power with the help of the C.C.F. coalition?

Mr. MARQUIS: Mr. Speaker, I was paired with the hon. member for Charlevoix-Saguenay (Mr. Dorion). Had I voted, I would have given a serious vote.

Mr. MALONEY: Mr. Speaker, had I voted, I would have voted against the motion.

Mr. HOWE moved that the house resolve itself into committee of the whole on the said bill.

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

On section 1—Pension fund.

Mr. SMITH (Calgary West): I want to get in early on this because I have a matter which I think is urgent and I am going to ask the minister to give it consideration as soon as he can. I have obtained information in various places with respect to the surplus of coarse grains or feed grains at present in Canada.

Mr. KNOWLES: On a point of order, we are now in committee on clause 1 of the bill which has to do with pension matters.

Mr. ROSS (Souris): It was not called.

Mr. KNOWLES: I beg your pardon, it was. My point of order is this: If my hon. friend's remarks are to be with respect to the pension fund, I submit that they are in order; if they are general, I doubt it.

The CHAIRMAN: The hon. member for Calgary West had just started to make his statement and I do not know what he intended to say. If he is dealing with the pension fund, he would be in order; if he is not dealing with the pension fund, then, of course, he would not be in order at this time.

Mr. JAENICKE: I think the minister made a very fair statement a few moments ago in connection with the farmer's attitude with respect to this pension fund. I do not believe the farmers will object to anything reasonable.

Mr. SMITH (Calgary West): I had the floor.

The CHAIRMAN: If the hon. member was dealing with the pension fund he would be in order.

Mr. SMITH (Calgary West): I did not hear Your Honour. I was not dealing with the pension fund and I am quite content to wait. However I had in mind an urgent matter which would come under this bill and I thought I should raise it now. I gladly give up the floor to the hon. member.

Mr. JAENICKE: I was dealing with the pension fund and I had said that I thought the minister made a very fair statement of the farmer's position. As I said during the debate on the second reading, I think in order to safeguard his position the farmer should have something to say about the matter. There is an advisory committee of the wheat board, and I was wondering whether or not the minister would consider an amendment to this section which would make the pension plan subject to the recommendation of that advisory committee. I do not wish to move any amendment at this stage, because I hope perhaps the minister will do so, but my suggestion is that after the word "may" in the first line there be added the words "on the recommendation of the advisory committee." Would the minister consider inserting that?

Mr. HOWE: I am of the opinion that the advisory committee has already approved the plan which has been submitted to the government for consideration. I have no objection to the amendment but I am inclined to think it is unnecessary.

Mr. JAENICKE: I am glad to know that, but I think the farmer would be more satisfied if the advisory committee had to be consulted about this pension scheme.

Mr. HOWE: It is unusual to have an amendment of that kind. Would it be satisfactory to my hon. friend if he had my assurance that the government will consult the advisory committee before adopting any plan?

Mr. JAENICKE: Yes, I believe so.

Section agreed to.

On section 2—Payment to producers.

Mr. ROSS (Souris): On several occasions the minister in charge of this bill and the Minister of Agriculture have stated that there is no such thing as a world price for wheat today. The Minister of Trade and Commerce pointed that out this afternoon. Some time ago, during another debate, I put on the record a clause from the United Kingdom-Canada wheat agreement. This clause will be found on page 658 of *Hansard* and reads:

> In determining the actual price in the last two years regard will be had to the extent to which the agreed price for the first two years falls below the world price for that period. Our farmers are therefore protected from crippling losses should there be a world slump in wheat prices. This is the commercial advantage which Canada secures.

A year ago the then minister of trade and commerce gave all credit to the Minister of Agriculture for having negotiated this agreement and being partly responsible for its drafting. Perhaps the Minister of Agriculture would take advantage of this opportunity to tell us what is meant by the words "world price" in the United Kingdom-Canada wheat agreement. I am wondering why those words were inserted in that agreement for the protection of the farmer when there is no such thing as a world price today?

Mr. GARDINER: I dealt with that matter before the Christmas recess and gave an explanation. The term "world price" as used there is, as we explained a few moments ago, based on the United States price, the Chicago price. In the real sense of the term it is the domestic United States price, but it was the only price that was established on any market in the world. What the minister said a few moments ago is perfectly true; there is no world price in the generally accepted meaning of the term.

Mr. ROSS (Souris): Is it fair to assume that in negotiating the price for wheat in 1948 and 1949 the United States price will be the one used in the negotiations so far as the Canadian officials are concerned?

Mr. GARDINER: It is fair to assume that consideration will be given to the relationship of the United States price with the price obtained from Britain.

Mr. FAIR: There seems to have been considerable dissension about the phrase "world price". I would be quite satisfied to use the words "class 2 wheat price" instead of world price. That term would be better understood by the farmers of the prairie provinces. If they can get the price being obtained for class 2 wheat I do not think there will be any further dissension.

In closing the debate a few moments ago, the Minister of Trade and Commerce said that Canada has a special responsibility. I think we all agree with the minister in that respect, but we do not agree that that responsibility should be borne only by the wheat growers of

the prairie provinces. That has been our objection since the British wheat agreement was made. I repeat that we have no objection to the low price being paid by the people of Britain for this wheat, but we do insist that that is a responsibility of all the people of Canada, not one for the farmers alone.

Dealing further with the $2 maximum price for the next five-year period, I am not prepared to agree that that is just because we have not before us the terms of the agreement. I hope to have something more to say about this. When the minister made the announcement he said that that maximum price would hold good, regardless of the cost of production. While the price of wheat is controlled, while there is a maximum price on wheat, other things should not be allowed to go uncontrolled. It may be just one more bad deal being foisted on the farmers of this country. When we get to the coarse grains I hope to have a little more to say, but I wanted to say this much in connection with the wheat question.

Mr. ARGUE: Since this section makes provision for the governor in council to increase the initial price of wheat; since the farmers are very much concerned as to what that initial price will be, and since the government has not yet stated what the increase will be, is the minister prepared to state at this time what initial increase in price will be made?

Mr. HOWE: My hon. friend is aware that it is not possible to make any increase in price until this particular bill is enacted into law. As soon as it is possible to increase the price, I shall lose no time in announcing what the increased price will be.

Mr. ROSS (Souris): I suppose the minister would not even suggest what the price may be. I am sure it will not develop into any great argument at this time. It would be helpful if we had an idea what the contribution will be before the bill is enacted into law. I cannot see any harm in the minister making the announcement now. So far as we are concerned we are not going to hold the measure up. It will go through today, and probably this afternoon. It will be helpful to the people who will be receiving the payments if they have an idea what they are to receive.

Mr. HOWE: This bill has still to be considered in another place. I should not like to announce the payment until I am sure the payment can be made. I hope to be able to announce the payment before parliament adjourns for the Easter recess.

Mr. FULTON: I want to take this opportunity to ask for further information in reply to a question which I put on the order paper and which was passed as an order for return to which I received a reply on March 17. The question concerned the Department of Trade and Commerce and the Department of Agriculture. I submit that virtually no effort is being made to answer the question. It concerns partly the price paid to the farmer for his wheat shipped to Britain under the British contract, and therefore I am in order in discussing it at this time. The information I was asking for was the difference in the prices which were received by Canadian farmers as a result of their shipment of wheat to Britain, and the prices which would have been received had the same quantity of wheat been sold at class 2 prices quoted by the wheat board.

Mr. HOWE: Before my hon. friend goes any farther, may I ask him this? Has he any evidence that any considerable part of the total crop of Canada could be sold at class 2 prices?

Mr. FULTON: The point raised by the minister would, of course, involve a considerable debate. The information I asked for was a matter of fact. What is the difference between the price which was received under the contract and the price which would have been received had the same amount of wheat been sold at class 2 prices.

The other question is a debatable one, whether the class 2 price or the world price would have prevailed. That, I say, is a debatable point; nevertheless the argument is altogether without sense unless we know what the difference would have been.

Mr. HOWE: I think the argument is without sense—period.

Mr. FULTON: Maybe the minister does think that, but there are many people who do not, and what they want is an intelligent basis of fact upon which to base their argument. What I am asking for is this: is it not possible to let the committee know the total amount paid for the wheat so far sold under the British contract at the contract price, and that, of course, includes the flour which, in some measure, represents wheat? Second, what would have been received if the same quantities had been sold at class 2 prices? The information I am given here is simply the contract price. I can read the contract. I do not know how much has been sold, how much of it is flour, and the price at which it is sold. It is certainly possible for the Department of Trade and Commerce to give me the total figures asked for.

Mr. HOWE: Has my hon. friend read his answer through? He is given the total sales

each year, the prices at which they were sold and the average price of class 2 wheat for the corresponding period. Can he not add up and subtract? Is that too much trouble? Do we have to do that for him? The information he asks for is there.

Mr. FULTON: It is easy enough to be sharp about these things, but the information I have asked for is not there. I will read the question. Perhaps the minister should read the question before he reads the answer. If he reads the question he will find that my question has not been answered. Question 2 was:

What are the total payments (a) made by the British government?

Surely that is clear enough. I continue:

(b) Received by Canadian farmers, for the respective amounts supplied.

The answer to question 2 was as follows:

(a) For the crop year 1945-46, the United Kingdom government paid Canada for the wheat and flour supplied on the basis of $1.55 per bushel for One Northern wheat in store Fort William-Port Arthur, Vancouver and Churchill, plus certain allowances for carrying and shipping costs.

I do not know what these allowances are. It is arguable that I could multiply the price by the number of bushels and get the total; but I do not know what the allowances for shipping and carrying costs are, nor do I know what the bushel equivalent of a pound of flour is. The prices here are given as so much per pound of flour.

Mr. HOWE: Then the hon. member's extensive education has been neglected if he cannot find out that.

Mr. FULTON: The minister told us this afternoon what a great expert he is in all these matters. We know he is a great expert. Some of us do not hold ourselves up to be quite as expert as the minister.

Mr. HOWE: Any good dictionary will tell you what you are after.

Mr. FULTON: The minister has a number of officials paid by the people of Canada. I am simply asking that these officials furnish the information in reply to the questions I have asked. I am not asking the minister who is so much more expert than I am to do this. He has told me how dull I am—

Mr. GARDINER: There is a 72 per cent extraction.

Mr. FULTON: I have asked for the total payment made by the British government and received by Canadian farmers for the respective amounts supplied.

Mr. TUCKER: On a point of order, I suggest that the hon. member is seeking to debate a question on this particular section which he has had answered. That question is out of order on this section.

Mr. FULTON: On a point of order, I submit that I am in order because this section deals with payments made to farmers.

Mr. TUCKER: That is money paid to farmers, money held on hand.

Mr. FULTON: The answer is, as I have said, that the information is not given in reply to the question I asked, and I am simply raising the matter now and asking that the answer be given in committee before this bill is passed, so that those of us who are not experts, as the minister is, may have the basic information on which to base an argument. The same general question will arise in other sections of the bill, and I would ask that that question be answered. What I want is an answer to parts 2 and 4 of my question.

Mr. MILLER: I do not intend to ask many questions, but there is one point I should like the minister to clear up. I think he can do it quickly and easily on this section relating to the question of price. As I understand it, the minister will have the amount of the increase fixed after the bill is through parliament; is that right?

Mr. HOWE: Yes.

Mr. MILLER: Am I right also in presuming that the price will cover the whole five years, that it will be the initial payment for the whole five years? Will the minister still have power to change it to a higher figure if the government wish to pay another amount?

Mr. HOWE: Yes; the government can increase the initial payment; it cannot lower it. It is the initial payment to cover the whole period.

Mr. MILLER: Every time it is changed it will be retroactive, or it will cover the whole five-year pool period.

Mr. HOWE: That is correct.

Mr. SMITH (Calgary West): I am really on the right section this time, although that is not what I intended to speak about a moment ago. I want to ask the minister a simple question so that I can get clear in my mind the real operation of this act. Remember, we had a debate as to whether the 1945-46 crop should be included in the bill, and at that time many farmers wanted it excluded. Am I right in thinking that, as a result of that money

having been kept at that time, they have done better than they would have done if they had been paid their money? It is all one pool, is it not?

Mr. HOWE: If this bill carries, when the cheques are issued for this participation the farmer will be better off in his 1945 crop than he would have been if he had taken the participation for that year only.

Mr. SMITH (Calgary West): That was what I thought. The next thing is this. Let us assume that a man grew a crop say last year when the price was good—I mean, as compared with other years—and he has done that only one year. Where does he stand? He gets his initial payment. How much does he share in—only one year? Obviously, he cannot participate in others unless he sells wheat to the pool. I gather that to be the situation. I am concerned as to what position he is in.

Mr. HOWE: He gets the number of bushels he delivers at the five-year price, whatever that may turn out to be.

Mr. SMITH (Calgary West): In other words, the amount you will announce, which will be added to the present payment. To whom does that go? Does it go to all persons in the pool?

Mr. HOWE: It goes to the man who delivers wheat. Every grower in the pool gets it.

Mr. SMITH (Calgary West): Let us say a man had only the 1945-46 crop. In 1948 further payments will be made. Will he share in the building up of the pool to its 1947 position?

Mr. HOWE: Yes.

Mr. SMITH (Calgary West): He carries on?

Mr. HOWE: Yes. This is a five-year pool. If my hon. friend is familiar with the working of a one-year pool, he knows that every man who puts in wheat gets the pool price per bushel; and extending that for five years the position is the same, except that the period is five years instead of one.

Mr. SMITH (Calgary West): It is the same as the Irish sweepstake, but you make only one drawing. I have a letter from a veteran, who has grown his first crop. It is the only one he has grown, and he was concerned as to what his position was, because a certain amount of the money to which he is entitled was held back for this pool business. Let us assume that something happens to him and he is not in business next year. What is his position?

[Mr. Smith (Calgary West).]

Mr. HOWE: His estate will collect.

Mr. SMITH (Calgary West): I did not suggest that he was dead. I said, suppose he is not in the business of growing grain. The minister says his estate will collect. What will the estate get?

Mr. HOWE: He will get his participation in the pool, and if he dies his estate will get it. If he has turned in wheat to the pool the amount he will get will be the number of bushels he has turned in, multiplied by the price. Deliveries may cover a part of each year or may cover only one year. He will get the number of bushels he turned in, multiplied by the total average price for the pool.

Mr. SMITH (Calgary West): In short, what happens is this. In 1947 he put in a certain number of bushels and so he shares when the final payment is made. He shares in the grain put in from 1945-46 up to the end of the pool, whatever that may be. Does he share on the same basis as the man who put in his bushels in 1945-46 when the grain was much cheaper?

Mr. HOWE: Just the same.

Mr. SMITH (Calgary West): All right. Then the man in the position I am speaking of gets the short end of it, does he not?

Mr. HOWE: How many such fly-by-night farmers are there that you know of?

Mr. SMITH (Calgary West): According to some speeches I have heard, all farmers are fly-by-night, although they do not fly quite as fast as the minister did a few moments ago. I am grateful to the minister, as I always am, for clearing things up for me, but the position is this. The man who sells in a good year, or two years, in this five-year pool takes the short end of it against the fellow who continued from the beginning.

Mr. HOWE: He might not.

Mr. SMITH (Calgary West): Well, if the grain goes down—

Mr. TUCKER: It might go up.

Mr. SMITH (Calgary West): Yes, it might go up; but the fellow in 1945-46 gets it too if it goes up. So that the hon. member's remark does not add a great deal to the subject.

Section agreed to.

On section 3—Trading in wheat or wheat products.

Mr. BRADSHAW: Under the new act, I understand, there is a change in the placing of wheat products under the control of the

board. I wish to read a telegram I received from the Great Star milling company in the county of Perth:

Understand bill 135 is under consideration and section 27 giving the wheat board control over wheat and wheat products. If board control wheat products this will mean the milling industry will be subject to complete control of board. This is giving a board powers that only the government itself should assume and then only in times of emergency. Strongly urge utmost opposition to including wheat products or grain products in this bill.

On the basis of this telegram I should like to ask a question. Are all wheat products or milling products strictly under the control of the board?

Mr. HOWE: If this section passes, all products of grain crossing a provincial boundary will be subject to the control of the board. The reason for that is that it touches on the point raised by the hon. member for Calgary West. This is a five-year pool. The price next year, we know, will be high and there may be a temptation for certain farmers to by-pass the pool and deliver to mills, instead of waiting to get the participation in the pool, taking immediate cash, in an amount which may be higher than the final result of the pool. That miller will probably have an advantage over millers who buy wheat from the wheat board, and the pool would not be getting all the revenue that is coming to it. The wheat board tell me that this provision is necessary at the present stage of the pool, and therefore I am asking the House of Commons to pass it.

Mr. BRADSHAW: That applies only outside the province.

Mr. HOWE: Crossing provincial boundaries, yes.

Mr. FRASER: I have a wire from the manager of the Quaker Oats Company of Peterborough regarding the same matter.

Mr. HOWE: I have dozens from millers. It is a round-robin wire.

Mr. FRASER: They object to the board taking absolute control of their industry, because that is what is happening. It is socializing the whole milling industry, putting it under state control. They also object, of course, as the hon. member has said, to restrictions in interprovincial shipments. I should like to read this wire:

Have wired both Howe and Gardiner objecting to bill 135 which may be taken up again today. This bill in effect would place milling industry under complete control of wheat board and government and believe that it would completely prohibit interprovincial shipments by millers except by permission of the board and give board powers greatly disproportionate to the purpose it is trying to effect. Milling industry already working under severe handicaps and believe it would be discriminatory and not in the national policy to put industry under complete government control as is outlined in bill 135.

During the last few years the milling industry has been under a great handicap.

Mr. HOWE: What is the handicap?

Mr. FRASER: In their shipments, and everything else.

Mr. HOWE: How were their earnings?

Mr. HARKNESS: Will the minister tell us what the term "wheat products" includes? Does it include shredded wheat and other breakfast foods made from wheat, or just flour and the ordinary mill foods?

Mr. HOWE: Any products that the governor in council may name. I hardly think they will get down to shredded wheat. I may say that if any flour mill will continue the practice they have followed for several years and buy their wheat at the wheat board price, these regulations will not affect them in any way. My hon. friend says that the millers have been discriminated against and are under a severe handicap. I just suggest that the government has been putting wheat in their mills at a standard price, selling their products in foreign markets and giving them a good margin. I think the hardship they have suffered will be reflected in their earnings over that period.

Mr. HARKNESS: In addition to that, can the minister tell us what is permitted under the regulations? Section 27 states that, "except as permitted under the regulations, no person other than the board shall ship these products," and so on. What is permitted under the regulations? The reason I ask this question is that I can see considerable difficulty arising in the matter of farmers attempting to buy mill feeds such as bran, shorts and so on, particularly those who are close to the border of one province and who may ordinarily secure their supply in the next province. Can the minister tell us just what is permitted under those regulations and how the thing is to be worked out with regard to farmers and other people purchasing mill feeds?

Mr. HOWE: The regulations are not as yet drawn, and it is difficult to say what will be in them. I can assure my hon. friend that if the mills buy their wheat at wheat board prices, which they have been doing for years, and buy from the wheat board, which they should properly do, they will have nothing to fear from this section.

Mr. SMITH (Calgary West): Why bother, then?

Mr. MACDONNELL (Muskoka-Ontario): I want to ask the minister one simple question. I am much impressed, as I hear him talk, as to the position of the milling and other industries. He says that the government will do this and the government will do that, and that as long as these people will do what they are told, they will be well off. Perhaps they will. Would I be wrong in calling this a highly socialistic measure?

Mr. HOWE: State marketing is socialism, yes, if you like. But it is hard to be different in a world that at the moment is following state marketing for reasons which I think are largely beyond their control. There are currency problems, credit problems and a number of factors, which are driving countries to state marketing at the present time.

Mr. MACDONNELL (Muskoka-Ontario): I think there are such factors, just as the minister says. But a good deal depends, in the last analysis, on what we want to do right here in our own hearts. I understand that the minister has agreed that this is a highly socialistic measure.

Mr. HARKNESS: A moment ago the minister said no regulations had been drawn. In this section 27, paragraph (b) and the following ones "wheat or wheat products" are the words used. It is always "wheat or wheat products". The regulations are in existence under which wheat has been handled. I would ask the minister whether those same regulations are the ones which it is proposed to enforce here or whether a completely new set of regulations will be drawn up as far as flour, mill feeds and so on are concerned.

Mr. HOWE: I imagine that the new regulations will define what wheat products will be covered by the regulations.

Mr. HARKNESS: Surely some plans have been made as to what those regulations will be. The minister cannot be entirely without any knowledge of what the regulations will be, and how they will differ from the regulations now in force as far as wheat itself is concerned. If there is to be any difference, I do not think we should give the government a blank cheque to make any regulations they like in order to handle these things afterwards. We should have some knowledge here as to what those regulations are, what the government will be able to do under them, how they will affect the ordinary people and the ordinary millers. From what the minister has stated so far, we have no idea how the thing will affect the people most concerned, and I think those are matters on which we should get information before we pass the section.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Shall the section carry?

Mr. ROSS (Souris): No. After all, we are not living under a dictatorship yet, surely.

Some hon. MEMBERS: No.

Mr. ROSS (Souris): Or are we? Surely the minister can make some statement as to what will be included here and give us some idea as to what will be provided.

Mr. HOWE: The purpose of the section is to make sure that every farmer delivers his wheat into the pool. If he will do that—

Mr. ROSS (Souris): That is provided for now.

Mr. HOWE: Yes, that is provided for; but this is to make sure that there is no side-tracking, that no cut-price arrangements are made. If the farmer will deliver to the pool, and if the miller will buy wheat through legitimate channels, there will be no control whatsoever over the by-products. But if there is evidence that any mill is buying wheat outside the pool, or not through normal channels, then the regulations will be applied. The extent to which the regulations will cover wheat products will be the extent that the board may determine from time to time as necessary to achieve the purpose of the amendment.

Mr. MILLER: Will the minister undertake that such will be the wording of the regulation? It is only for the purpose of controlling illegitimate marketing?

Mr. HOWE: Yes.

Mr. MILLER: That will be the wording in the regulations?

Mr. HOWE: I do not know what the wording will be. But the wording will say what can be done. I can assure my hon. friend, however, that if there is no side-tracking of the proper channels, the owner of the wheat and the miller will not be adversely affected.

Mr. MILLER: The minister will agree that if the wording is general, it would bar a farmer, if he lives right on the border of Saskatchewan, from coming into Manitoba and buying shorts, bran and that sort of thing, would it not?

Mr. HOWE: No, it would not bar the farmer from buying anything. If it is flour, bran or shorts made from wheat purchased by

a mill through legitimate channels, there will be nothing to bar the farmer anywhere from buying those by-products.

Mr. MILLER: How will the farmer know?

Mr. HOWE: The penalty will not be against the farmer; it will be against the miller.

Mr. CHARLTON: I wish the minister would make quite clear just how this bill will affect the eastern soft wheat grower? Can he explain that?

Mr. HOWE: What is that?

Mr. MACDONNELL (Muskoka-Ontario): He does not know about soft wheat.

Mr. HOWE: Soft wheat is not pooled.

Mr. CHARLTON: All the hard wheat is in the designated area west of the great lakes. What happens with regard to the eastern wheat grower?

Mr. HOWE: He is outside the designated area.

Mr. CHARLTON: What about wheat products?

Mr. HOWE: They will not be affected. As I understand it the eastern wheat can be sold to the miller under any condition the grower may determine.

Mr. SMITH (Calgary West): The minister had better think that one over.

Mr. CHARLTON: In other words, we can sell our wheat where we like, when we like, and buy what products we like—that is, the products of eastern wheat—within the province?

Mr. HOWE: That is what you are doing now.

Mr. CHARLTON: This has no effect on eastern wheat?

Mr. HOWE: No, I would not think so.

Mr. CHARLTON: I should like a definite statement on that from the minister. Surely we can have it.

Mr. HOWE: It will not affect the eastern grower.

The CHAIRMAN: Shall the section carry?

Mr. CHARLTON: No, Mr. Chairman; the minister's statement is that it will not affect the eastern wheat grower—

Mr. HOWE: It will not affect the eastern wheat grower, no.

Mr. CHARLTON: —as long as the wheat by-products are from the eastern wheat that we grow. It is only with regard to the by-products of western wheat that we shall be affected. Is that true?

Mr. HOWE: I should think so, yes.

Mr. FRASER: What would happen to a blended product of soft and hard wheat?

Mr. CHARLTON: Just a minute, Mr. Chairman. Surely the minister can answer the question I asked a little bit more thoroughly than that.

Mr. HOWE: Wheat grown east of the great lakes is not wheat grown in the designated area.

Mr. CHARLTON: I understand that.

Mr. HOWE: Therefore this bill does not touch it. Can the hon. member understand that?

Mr. CHARLTON: Yes, I can understand that; but can the minister explain how we are to tell the difference between bran made from eastern wheat and bran made from western wheat, to be sure of it?

Mr. HOWE: You are talking about the wheat grower.

Mr. CHARLTON: I am talking about the by-products.

Mr. HOWE: You are shifting ground now. You asked how it would affect the wheat grower; did you or did you not? If necessary, we will send for *Hansard*.

Mr. CHARLTON: We also have feeders along with growers.

Mr. HOWE: Let us talk about the feeders separately.

Mr. CHARLTON: I am asking a question about feeders, too.

Mr. HOWE: The position of the feeder will depend upon whether the mill with which he deals has bought western wheat through official channels. If it is an eastern mill its wheat is pretty sure to come through those channels, because I do not see how it could get wheat from the west except through the board. The mill which might be inclined to go astray would be a mill in one of the western provinces, we will say, which could buy wheat from nearby farmers at cut prices and disturb the pool arrangements.

Mr. CHARLTON: Then just how is the price to be set on western wheat?

Mr. HOWE: Now you are getting into still another category, are you not? Government policy in that connection will be announced in due course.

Mr. CHARLTON: Then I come back to the previous question. What would be the penalty imposed upon a farmer who bought bran, shorts, middlings, or whatever by-product it might be, thinking it was a by-product of eastern wheat, when it turned out to be a by-product of western wheat? Would any penalty be imposed upon him if he bought that by-product unknowingly?

Mr. HOWE: I can give my hon. friend the greatest assurance in the world that no farmer buying bran and shorts will be fined for doing so. The penalty will not be against the farmer. Perhaps my hon. friend will be satisfied with that.

Mr. BRADSHAW: Take an Ontario miller buying Ontario wheat. Can he ship the by-products of that wheat outside the province?

Mr. HOWE: Yes.

Mr. BRADSHAW: Supposing he makes bran or other by-products, can he ship them outside the province?

Mr. HOWE: Certainly.

Mr. SMITH (Calgary West): Why this discrimination against the western miller? He has hard wheat, but very often he must have soft wheat, too. An example I know of, and I am sure the Minister of Agriculture would know of it also, is a big mill at Medicine Hat, which at times may have to go out and get soft wheat for blending purposes because, by itself, the hard wheat does not make the right kind of bread. As a matter of fact, I understand that all millers need some soft wheat at times. What is the position of that mill? Is it in any different position from that of an eastern mill if, in fact, it bought the soft wheat in Ontario and shipped it west?

Mr. HOWE: No.

Mr. SMITH (Calgary West): All right then. Is this the answer, that you do not control by-products made anywhere from soft wheat?

Mr. HOWE: We control by-products of wheat grown in the designated area, and the designated area is the three western provinces. If my hon. friend will keep that in mind it will narrow his argument a little.

Mr. SMITH (Calgary West): Then let us go on with that. In this designated area we will say these by-products are not made solely from grain grown in the designated area, but from wheat blended with soft wheat shipped from Ontario. Does the government intend that the board shall have control of the products, the mixtures such as flour and other things, coming from that blended wheat?

Mr. HOWE: Yes.

Mr. SMITH (Calgary West): Then you are controlling the by-products of grain grown in a non-designated area, are you not?

Mr. HOWE: Only because we must.

Mr. SMITH (Calgary West): Then the answer is, I gather, that you are?

Mr. HOWE: No. The answer is that we are not controlling the by-products of grain grown in the designated area. If in doing so we incidentally control mixtures containing by-products of grain grown in some other area, that is just too bad; but the positive statement is that we are controlling all products of wheat grown in the designated area.

Mr. SMITH (Calgary West): Plus an unknown quantity?

Mr. HOWE: Perhaps so. I have never heard of it. Will my hon. friend tell me if he has ever heard of a mill in Medicine Hat importing wheat from Ontario and mixing it with western wheat?

Mr. SMITH (Calgary West): No, I never did.

Mr. HOWE: And you never will.

Mr. SMITH (Calgary West): Well, I said I had not and you say I never will. I admit I am not capable of seeing as far into the future as you are, but I can see just as far into the ground as you can, and anything that is normal I can do just as well as you can. Then I want to ask if I heard the right hon. gentleman correctly a moment ago and if he said this; I want to be corrected immediately if I am wrong. I understood the minister to say they could not have these regulations until somebody knew—I suppose it is the wheat board—what wheat products they wanted to control. Did I hear the minister correctly?

Mr. HOWE: That is right.

Mr. SMITH (Calgary West): Then I suppose the situation is this. Today we in this House of Commons are asked to pass a bill dealing with the products of grain grown on farms; the government are asking us to pass this bill, not knowing what those articles are. I am sure that what I have said is quite logical in view of the last answer given by the minister.

Some hon. MEMBERS: Carried.

Mr. FRASER: I want to ask a question.

An hon. MEMBER: What do you know about wheat?

Mr. FRASER: Not a great deal, but I want to ask one question. The minister said this would include all wheat products. Would that also include bread or biscuits or cake? Should the bill not specify raw wheat products? Some of the boards which have been set up in the past under bills of this kind have later been found to control almost everything under the sun.

Mr. HOWE: This paragraph is concerned with the price of wheat. It would be the purpose of the board to control only such products as will enable it to ensure that the wheat going into those products is bought through legitimate channels. That is all.

Mr. HARKNESS: The minister has told us he cannot say what those products will be. I think he must be able to give us at least some of them. He must know now that certain products will be brought under this control, and I wonder if he could tell us those so that we would have at least some idea where we are going in connection with this bill. At the present time I for one am coming more and more to the conclusion that the minister does not know what he wants the bill for or what he intends to do with it. If that is the situation I see very little use in adopting these amendments, unless the government has some definite use to make of them or some definite value in mind for them. Otherwise what is the use of passing the bill?

Mr. HOWE: I can give my hon. friend the assurance he requires. The regulations will certainly include flour.

Mr. HARKNESS: Will they include anything in addition to flour? Is flour the only thing you know they will include?

Mr. HOWE: I would not say that.

Mr. MACDONNELL (Muskoka-Ontario): Then why not tell us the others?

Mr. HOWE: I do not know.

Mr. MACDONNELL (Muskoka-Ontario): I am going to make an admission. I do not know anything at all about wheat; I am not like the minister.

Mr. HOWE: Then you can speak freely.

Mr. MACDONNELL (Muskoka-Ontario): I may not be in such a different class from some others who have talked quite a lot about it. But it seems to me that the question asked by the hon. member for Calgary East is very reasonable. Why will the minister not tell us now the products that will be covered by these regulations? Why is that to be a secret, one day to be given out to the press, while we cannot have it?

Mr. HOWE: I have given the one product I know will be included; that is flour. Conceivably it may be necessary to include other by-products in order to achieve the objective I have stated; that is, to make sure the wheat going into the flour is bought through legitimate channels. I would think probably if flour is controlled, that would be all the control necessary. But it may develop otherwise. If it develops otherwise, I should not like to be bound by any statement I make here.

Mr. ROSS (Souris): What about bran and shorts?

Mr. HOWE: I do not know whether it is necessary to control bran and shorts or not.

Section agreed to.

Section 4 agreed to.

The CHAIRMAN: Section 5?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Does the title carry?

Mr. ROSS (Souris): What about section 5; is that carried?

Some hon. MEMBERS: Yes.

Mr. ROSS (Souris): No, it is not carried.

The CHAIRMAN: Speak up.

Mr. ROSS (Souris): I want to ask one question at least on section 5.

The CHAIRMAN: Then section 5 is not carried.

Mr. ROSS (Souris): I do not suppose the bill can be divided at this point. But, in respect of oats and barley, I cannot for the life of me understand this House of Commons, in view of the statement by the Minister of Trade and Commerce to the effect that the handling of oats and barley is unconstitutional. He argued that himself in the resolution stage of the measure. Other people who should know have pointed out that enabling legislation from every province in Canada would be required before this could be made operative. That would apply not only to the three prairie provinces which produce oats and barley. I understand from those trained in the law—and they should know—that the same type of legislation would be required from other provinces where this oats or barley may be traded. This would mean that each of the nine provinces in Canada would require that legislation.

I thought I had protested this as strongly as I could. The minister introduced the legislation and argued, himself, that it was unconstitutional until such legislation was provided. The Minister of Justice certainly felt that it was unconstitutional, and said on repeated occasions that the law officers of the crown had advised that it was unconstitutional.

Why in the world would a government introduce a measure like that, knowing that it is unconstitutional at this time, and without referring it to the standing committee on agriculture and colonization for at least some study?

We do not want to appear as foolish as that in the eyes of the people of this country, or to people of other countries. That does not seem to make common sense at all, in the matter of legislation.

Mr. HOWE: I can assure the hon. member that the bill as it is drafted today is quite constitutional. There is a limitation on the power that the government can exercise under the bill. But so far as power to control products crossing provincial boundaries, or exported beyond the country is concerned, there is no doubt in the world that the federal government has that power.

Mr. ROSS (Souris): About what percentage of this will be exported?

Mr. HOWE: A small percentage. That is why I have said, in introducing the resolution, that a workable system of marketing cannot be founded on this bill alone. We have gone as far as we can go. We are passing enabling legislation which, so far as this measure goes, will permit us to do all we legally can do. In saying that, I repeat that our powers are not sufficient, and this bill is not sufficient to organize a compulsory pool on wheat and barley that would succeed. What others do is the responsibility of others.

It may be that we shall have sufficient legislation passed in those proper jurisdictions to enable the pool to be worked out. If that is so, the government has done its part, and will be ready to act. We will make sure that others have taken the necessary steps to permit the operation of the pool within their jurisdictions. We will also make sure that both sellers and buyers, so far as they are organized farmers, are also satisfied that the combined legislation will permit a workable arrangement, and that a pattern for operating the pool can be worked out satisfactorily to both.

Mr. ROSS (Souris): I want to know if the minister does not think this enabling legislation will be required from all the provinces in Canada for the marketing of oats and barley. It is not limited to the three prairie provinces in which those products will be produced. Will it not be required in other provinces where a great deal will be marketed and fed?

Mr. HOWE: I cannot say as to that. I know it will be required in the three prairie provinces. Whether it will be required in other provinces depends upon the objective of the farm organizations which are pressing for this legislation. I think it is more for them to say whether, in order to make the plan workable, legislation would be required, possibly in Ontario. But it is their program; and it is their responsibility to determine what their objective is, and what legislation is required to give them their objective.

Mr. MILLER: Will this government take the initiative or, if this legislation is passed, will it just sit back and await developments? Will it take the initiative to see whether or not coarse grains are brought under the wheat board?

Mr. HOWE: This government has already taken the initiative. This is the first legislation of this type passed by any government covering the pooling of barley and oats. The government is doing its share; it is doing all it can do. It is not now going to dragoon other governments into doing what they need to do. We shall assume that the reasons which led us to do what we are doing will lead other governments to do what they require to do. If it does not have that effect we shall assume that we were mistaken in thinking we have that unanimity of farm opinion behind the bill which seems to have been indicated.

Mr. MILLER: After the passing of this measure, your initiative will be still-born; is that right?

Mr. ROSS (Souris): Is it not probable that the same enabling legislation would be required in this instance as was required for the natural products marketing legislation, which was declared ultra vires? There is little difference in the two, is there?

Mr. HOWE: Enabling legislation is ultra vires; it has been declared that complementary legislation is not ultra vires.

Mr. SMITH (Calgary West): Conjoint.

Mr. WRIGHT: The question I was about to ask was along the same lines as that which has just been asked. Is it the opinion of the minister and the government that the same type of complementary legislation will be necessary in the three prairie provinces for the successful operation of the bill?

Mr. HOWE: Yes; undoubtedly, to make the bill effective there must be conjoint legislation in the three prairie provinces.

Mr. WRIGHT: Last year we moved an amendment to include oats and barley under the wheat board. At this time we would, in the ordinary course, have moved that all grains be placed under the act, when we were placing oats and barley under it. However, due to the length of discussion which has taken place, and the necessity for getting this bill through, we are not going to move that amendment, although our people still agree that all grain should be included under this measure.

Mr. HOWE: If I might reply to the hon. member, I have no objection to including flax in the amendment. I am quite willing to offer an amendment; indeed I have one prepared to that effect, and I am willing to offer it to the committee. I am not pressing it, but I am willing to do so.

Mr. WRIGHT: Why not rye?

Mr. HOWE: Rye is in a different position. As my hon. friend knows, rye is planted in the fall, and anything we do now would not interfere with the rye crop for next spring. It is in the ground now.

Rye has had a dizzy market career. On March 8 last the cash price of 2-CW rye was $3.98 a bushel. The May quotation was $3.86; the July was $3.21¾, and October, $1.88.

Mr. ROSS (Souris): What about today? It is quite a bit over that today.

Mr. HOWE: Perhaps so. But if anyone thinks this government is going to run a pool on rye with that sort of dizzy market history, he is much mistaken.

Mr. ROSS (Souris): I am not asking for it.

Mr. WRIGHT: I think the committee would like to see flax included in the bill; at least we in this part of the house would. We would also like to have seen rye included. We do not want to start a long discussion but, if possible, we would like to see flax included.

Mr. SMITH (Calgary West): I can assure my hon. friend that we shall have a long discussion at this late date if he tries to get things added to the bill, or to alter it by the addition of another kind of grain. I want to make one thing plain, and I hope I am not repeating what I have said. I have no doubt at all that the resolution required will come back from the Saskatchewan government so fast that you will not even be able to catch it on the first bounce. This is part of state control which my hon. friends to the left honestly believe in and support.

But I think you will have difficulty with some of the others. The minister has not answered this; but I think, having regard to property and civil rights, that if you need conjoint or complementary or enabling legislation in the provinces where the grain is grown and where it is bought, you will also need it in those places where it is sold. Western coarse grains are sold today in Ontario, Quebec, the maritime provinces and British Columbia.

When I first rose today the hon. member for Winnipeg North Centre raised a point of order before I had said anything. I had not mentioned any subject at all, but he apparently was reading my mind. Had I continued I would have been out of order, but I was not when he spoke because I had just said, "good morning."

Mr. KNOWLES: You said oats and barley.

Mr. SMITH (Calgary West): I should like to speak to the minister about oats and barley. I have received a lot of correspondence lately with respect to this matter, including a file which the Minister of Finance knows all about, because I have been sent copies of the correspondence that was exchanged with him. I am not going to read it, first, because it is too long and, second, because the last letter contains a reference to myself. With my usual modesty I just could not have that become public property.

It is a fact that today in Canada we have a large surplus of oats and barley. If anyone is interested I have all the figures here of what is at the head of the lakes and at the lake ports. In various parts of the country there will be new grains of this type coming on to the markets everywhere. It is said that at the present time there are bids in the market from the United States, Eire, Belgium, the Scandinavian countries and Holland, with payment in United States dollars and at prices higher than can be got for the grains in this country. In short they say that this is a matter, possibly of great urgency; that unless this surplus which amounts to—I shall put it very low—30,000,000 bushels is taken care of, unless it is channeled off for useful purposes, it will lie there against what is at present maintained west of the lakes. It is contended that immediately navigation opens there will be trouble, to say nothing of what will take place when the new crop comes on.

I am taking this opportunity of saying to the Minister of Trade and Commerce, who has been known to act quickly in times gone by—

it is one of his most admirable qualities among many—that this matter should be looked into immediately. If the information I have been given is correct, it indicates a serious condition in western Canada. I am not going to say any more than that. I am sure, from the various sources of information which I have and which I think are accurate, that this is a matter which needs correcting. The minister can, by one swift move, eliminate this top-heavy thing which is rolling around on top of our market. He can do that by loosening up on export permits. We do not need to put ourselves in danger, but in this correspondence there are a number of letters from Ontario and Quebec cancelling orders. In fact today feed is just not moving. That is an unusual condition at this time of the year. Everyone seems to be saying that he is well stocked up.

I am merely asking the minister to look into this matter because it seems to those of us who are amateurs, who have not his knowledge from the various sources of information he has, that this is a serious condition. There is a possibility that I am overstating it, but I am quite sure I am not to any great degree. If what I have said is correct, I think it is something the minister might well look into in the course of the next few days.

Mr. HOWE: The matter is being looked into at the present time. The Minister of Finance wishes to make a statement before six o'clock, and I would move that the committee rise, report progress and ask leave to sit again.

Mr. ROSS (Souris): I should like to ask the minister when the wheat board report will be available and whether he could table it before the 1946-47 crop year ends? Also, will it be referred to the standing committee on agriculture?

Mr. HOWE: I have received the report in typewritten form, but I have not tabled it because I was told the printed copies would be available in a few days.

Mr. ROSS (Souris): Will it be referred to the standing committee?

Mr. HOWE: Yes.

Mr. MILLER: May I suggest that the minister reconsider his statement regarding wheat products and designated areas because, if you look at part IV of the act, you will see that there is no restriction or designated area

[Mr. Smith (Calgary West).]

for the products covered by part IV. I do not say the minister is in error, but he may be in saying that, by this amendment, wheat products must originate in a designated area.

Mr. HOWE: I think my hon. friend will agree that the purpose of the act is simply to see that wheat which should properly go into the pool is delivered to the pool rather than being short-circuited to nearby grist mills.

Mr. MILLER: Will the minister reconsider that statement?

Mr. GARDINER: On a point of order, the question was raised a few moments ago by the minister that we were prepared to stop the committee at two minutes to six in order to allow the Minister of Finance to bring down some estimates which he desired to get before the house. It was understood that rather than interrupt the passing of the section and the report of the bill we would carry on for a few moments. It was agreed that we go on and finish this and forget the clock for a minute or two.

The CHAIRMAN: I understood that hon. members agreed to carry the section before six o'clock.

Some hon. MEMBERS: No.

Mr. GRAYDON: I think some hon. members agreed to separate the bill, did they not?

The CHAIRMAN: Shall section 5 carry?

Some hon. MEMBERS: No.

Progress reported.

SUPPLEMENTARY ESTIMATES 1947-48

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1948, was presented by Hon. Douglas Abbott (Minister of Finance), read by Mr. Speaker to the house and referred to the committee of supply.

Mr. BRACKEN: Can the minister say when the estimates will be brought forward?

Mr. ABBOTT: I cannot say, Mr. Speaker. I had in mind Tuesday. I do not see how we can do it before then. We are proceeding with the wheat bill this evening. I understand that we shall proceed with the tax resolutions on Monday, but we shall proceed with this just as soon as we can dispose of the other emergency resolutions.

At six o'clock the house took recess.

After Recess

The house resumed at eight oclock.

PRIVILEGE

MR. COLDWELL—REFERENCE TO REMARKS IN DEBATE ON MARCH 12

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to rise to a matter of privilege if Your Honour will permit me to do so, in order to make a correction in last week's debate on insurance. I do so for the purpose of setting the record straight. There was a good deal of questioning as to what the Saskatchewan benefits really were, and I have here a very short paragraph which I desire to read in order to complete the record and ensure that no misunderstandings were left in the matter. It will take only a minute.

I have a letter from the minister of social welfare, Hon. O. W. Valleau, of Saskatchewan, which reads in part as follows:

Public liability and property damage insurance of $5,000 injury to one person in one accident, $10,000 injury to two or more persons in one accident, and $1,000 property damage. This is what is known as standard liability and property damage insurance, and is the type required under the liability laws in force I believe in British Columbia, Alberta, Manitoba, Ontario as well as some thirty-eight states in the United States. The insurance on all cars when they are outside of the province of Saskatchewan will be standard in every particular, but on cars inside the province the property damage of $1,000 will be subject to a deductible of $100. This is to bring it in line with our collision insurance and also to relieve us of the administrative task of being involved in every accident on 170,000 to 180,000 vehicles where the damage is less than $100 in extent, no changes being made in the rates which, as you will recall, were $4.50 for cars under 111-inch wheel base, and $6.00 for those over, with varying rates for trucks, buses, et cetera.

I simply wish to put that question right. The other benefits regarding hospitalization, medical attention or funeral benefits and so on are as I stated them last week.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Friday, March 5, consideration of the motion of Mr. Rinfret for the second reading of Bill No. 8, respecting the Bell Telephone Company of Canada.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, when we were discussing this bill on Friday two weeks ago we were considering the application of the Bell Telephone Company for an increase in its capital stock by the sum of $350 million up to $500 million, and I was saying that in the absence of a great deal of information, this is a remarkably large amount for any company to receive under one bill at one time from this parliament. Had the amount for which the company is asking been much smaller, I could have understood why the application was before parliament at this particular time. But when we realize that, as I believe, this practically equals the assets of the company itself —they are not very much in excess of $350 million, and indeed they may be a little less— and when we consider that in all the years prior to 1929 the company managed to get along very well on $75,000,000, being authorized to increase its capitalization by another $75,000,000 in 1929, it seems that we are being asked to swallow a great deal when we are asked to support a bill for this huge increase in capitalization.

Let me say again that I am in agreement with the hon. member for Broadview (Mr. Church), and I know that other members in the house, in various quarters, are of the same view, that these huge public utilities should be publicly owned. Whatever our differences of opinion may be on private enterprise, I believe there is a considerable body of opinion in all parts for the public ownership of public utilities in order that they may be properly regulated with a view to giving proper rates and service to the community.

Moreover, the Bell Telephone Company is a very important company in our own country, for this company owns more telephone lines in the country, and has a larger number of subscribers than all the rest of the telephone companies in the country including the three publicly owned telephone systems in the prairie provinces. These three are owned, of course, by the provincial governments, and as I said on a former occasion they give excellent service, and incidentally encounter many more hazards and difficulties than a telephone system which is serving more or less congested areas. Yet they are able to make substantial returns to the provinces and at the same time, as I shall show in a moment, give the users of those telephone systems cheaper rates than are provided in this part of the country by the Bell Telephone Company.

I should point out, too, that the Bell Telephone Company is controlled by a large corporation in the United States. It is, I believe, controlled in part by the American Telephone and Telegraph Company and therefore may be considered to be a subsidiary of that great

organization. My hon. friend opposite who is piloting the bill shakes his head, but that is what I have been informed. If I am wrong, I have no doubt he will correct me and I shall accept the correction. I give him an opportunity now to do so.

Mr. RINFRET: I have already indicated to the house that the American Telephone and Telegraph Company owns only 14·8 per cent of the stock.

Mr. COLDWELL: But very often, when there is a large corporation owning a minority of the stock, the stock is widely diffused; and in this particular case, under a clause in the bill before us, it is proposed to split the shares four ways and diffuse them more widely. If, therefore, you have concentrated ownership of even ten per cent or less there is effective control of a corporation, and the American Telephone and Telegraph Company is the largest shareholder in the Bell Telephone Company, holding over 14 per cent of its stock.

The Bell Telephone Company of Canada has sixteen subsidiary companies in this country and besides owning telephone exchanges, trunk lines and urban and rural telephone systems, it owns, I believe, or controls companies that are engaged in the manufacture of telephone equipment, radios and a number of other pieces of equipment that are common to the telephone industry.

I was looking up the debate which took place in 1928 and 1929, when a similar request for a much smaller amount was before the house, and I noted carefully some of the representations that were made by the province of Ontario officially at that time, and the manner in which one subsidiary, the Northern Electric Company, figured in the discussion. While this company is limited, in the amount of dividends it may pay, to eight per cent,—

Mr. RINFRET: It is $8.

Mr. COLDWELL: That is, $8 on $100 a share, which is eight per cent according to my calculation.

Mr. RINFRET: Selling at $160.

Mr. COLDWELL: Yes. They are selling at $162, but the actual value of each share is $100. If people are prepared to pay $162 for something that has a face value of $100 that, of course, is their business and I have no quarrel with them. But may I say that if that is the case, and if this capital stock of $350 million were issued, the public then would pay considerably more than $350 million for the stock, if it sells at $162 or less or more as the case may be.

[Mr. Coldwell.]

I wish to say something about the rates. I looked up the rates in my own province, and I took the recent telephone directory for the city of Saskatoon which the hon. member for Saskatoon City (Mr. Knight) brought with him when the house assembled in January. I did not have the recent one from Regina. Here is what I find. We will take the person to person call. The minimum time the Bell Telephone Company charges for is three minutes. In Saskatchewan you can have, for less money, a two-minute conversation and there is no additional charge for a person to person call. So I will take the person to person call in each case. For three minutes the telephone rate from Ottawa to Montreal is $1, but there is a federal tax of fifteen cents on the call. I have that bill in my hand.

Mr. MITCHELL: What time of the day is that?

Mr. COLDWELL: That is the daytime rate. That makes it $1.15. From Regina to Saskatoon, which is a much greater distance and over a much less congested territory where there are not nearly as many subscribers, the daytime rate for three minutes is $1.05, but that includes the federal tax. For two minutes from Regina to Saskatoon the daytime rate is seventy cents, including the federal tax. What about the night rate?

Mr. ISNOR: What about the overtime? What about the time beyond three minutes?

Mr. COLDWELL: It is paid for proportionately. From Regina to Saskatoon the night rate for three minutes is seventy-one cents, including tax; from Ottawa to Montreal it is seventy cents, and in addition there is the federal tax, which is eleven cents. We will take the rent of the telephone. In most instances today, probably the cradle telephone is used. My Saskatchewan friends tell me that the rate is a little more than it was when I lived in Regina a few years ago. At that time we paid $28 a year for a cradle telephone. Today my Saskatchewan friends tell me that the rental of a cradle telephone is $30 a year. In this city —again I have my own bill—for a cradle telephone the charge is $3.45 a month. If hon. gentlemen work that out for twelve months, at $3.45 a month, I think they will find that it comes to $41.40 a year, or $11.40 more than is paid in Saskatchewan for the same type of telephone.

Mr. HOWE: Might I be permitted to ask the hon. member a question?

Mr. COLDWELL: Yes.

Mr. HOWE: Is it not a fact that a telephone in Ottawa has a great many more free connections than a telephone in Regina?

Mr. COLDWELL: Many more which?

Mr. HOWE: Free connections; that is, it is connected with a great many more people.

Mr. COLDWELL: Yes.

Mr. HOWE: That is an important element in the cost of telephones.

Mr. COLDWELL: Well, I would say that the more people who are using the telephone system, the cheaper the rate should be.

Mr. RINFRET: It is the other way around.

Mr. HOWE: Yes, it is the other way around.

Mr. COLDWELL: No. I do not think it should be the other way around.

Mr. HOWE: Yes, it is.

Mr. COLDWELL: I will get you another rate.

Mr. MITCHELL: Get the figures for Saskatchewan.

Mr. COLDWELL: The Minister of Labour (Mr. Mitchell) said two weeks ago, "What are the British rates?" I may say that I did not catch the word "rates" when he mentioned British rates.

Mr. MITCHELL: I should have said, what about the British service?

Mr. COLDWELL: British service or British rate.

Mr. MITCHELL: Awful.

Mr. COLDWELL: Well, I do not know about the British service being awful. As a matter of fact, until recent years telephones were almost unnecessary in Great Britain. When I was a boy at school in the city of Exeter, forty miles from where I lived, and to which I used to go every morning by train, I know that if my parents wanted me to bring something home from the city in the evening—I used to leave at seven o'clock in the morning before my mother was up—she could write me a note and it would be delivered to me before noon. I could do my shopping in my noon-hour and take home what she wanted on the evening train, getting home at six o'clock in the evening. Everyone who has lived in Great Britain knows that the telegraph took the place of the telephone to a large extent, because you could telegraph very quickly and very cheaply indeed—and you still can—because, may I say, the telegraph is owned by the post office in Great Britain. I believe the telephone system is too. But until quite recently telephones were not used extensively.

Mr. HOWE: There is a reason for that.

Mr. COLDWELL: I remember that in 1924, when I was over there, I wanted to telephone home to my wife, and I found that she was one of half a dozen people in quite a large town who had telephones in their own homes, because the rates were prohibitive then. The rates have come down because there are more telephones. What I was going to say was this. The last time I was in Britain, in 1944, I discovered that I could call anyone from John o'Groats to Land's End after seven o'clock at night for one shilling; that is twenty cents. You could call anyone who had a telephone anywhere in the United Kingdom for twenty cents. That rather discounts the idea that in a congested area the rates should be higher, because in the city of London—

Mr. HOWE: Oh, no. May I point out to my hon. friend that it is a well-known fact that all the connections that have to go on the switchboard to serve a big community make the service vastly more expensive in a big centre. He will find that if he traces the rate structure from one end of the United States to the other or from one end of Canada to the other.

Mr. COLDWELL: All I can say is this. I am not as well versed in this matter as is the Minister of Trade and Commerce. On a matter of this sort I usually take his word for it. But it seems strange to me that where you have a large city, with a large number of automatic telephone connections and a large number of users who are paying a high rental per telephone, you cannot supply the service more cheaply than you can in a smaller community where in many instances the telephone exchange is operated manually. Maybe I am wrong, but I cannot understand it.

Mr. RINFRET: That is a fact.

Mr. COLDWELL: I know that some people argue that way. But I remember the old story about the post office; how it was said before we got penny postage that because many people would use the facilities, it would never pay at a low rate.

Mr. IRVINE: May I ask a question? I should like the hon. member to explain this, if he can. If a telephone system in a congested area is more expensive, how is it that telephone companies pass by all the rural community areas and pay attention to the cities?

Mr. COLDWELL: That is a very good question.

Mr. IRVINE: Certainly it is a good question.

Mr. COLDWELL: It points up the argument that we are having; because after all—

Mr. RINFRET: That is what happens in Saskatchewan.

Mr. COLDWELL: In the western provinces of Canada—

Mr. SPEAKER: May I direct the attention of hon. members to the fact that we are on the motion for second reading, and under the rules an hon. member may speak only once. If hon. gentlemen have questions to put, I suggest that they wait until we have reached the committee stage.

Mr. COLDWELL: Very well, Mr. Speaker. I was going on to say that this points up the fact that, because it was not thought to be a profitable venture, the Bell Telephone Company did not enter the telephone business in the western provinces. There are now many telephone users there; and I think it is an open secret that in one or two of the provinces approaches have been made in recent years for the acquisition of the provincial telephone systems.

Mr. RINFRET: Not by the Bell company.

Mr. COLDWELL: Then by private interests; I will put it that way. But I do not consider it likely; in fact I am sure it is quite unlikely, that the people of the prairie provinces, who own their own telephone systems, will relinquish them under any circumstances. One of the features of this bill to which I am thoroughly opposed is, as I said last week, that portion the purpose of which, so they say, is to clarify the powers of the company under its original act of incorporation with regard to the use of the latest and most improved means and inventions, including radio and wireless telephone and television, in furnishing communication service, and to make clear the company's position with regard to the use and operation of radio and wireless telephone in furnishing service to mobile stations and to remote communities where the construction of wire facilities may be impracticable, and in interconnecting its wire facilities with radio links. The section contains a declaration that the company has always had the right, under its original charter to do these things, which I believe to be wrong.

Mr. W. A. McMASTER (High Park): Mr. Speaker, I rise to take part in this debate because a great increase in capital is being asked for by the Bell Telephone Company. I have no quarrel with that company. I have been acquainted and connected with all its personnel in the city of Toronto, and I have found them to be fine, outstanding men. The employees must live up to certain standards. The executives take part in every worthy work in that city. I know they engage in a great deal of research work, and are all the time trying to find out what the necessities of the future will be as far as telephones are concerned. In that way they acquire a great deal of knowledge which they have always placed at the disposal, free of charge, of any worthy cause or any municipal or other body. Therefore I say I have only the kindliest feelings toward the Bell Telephone Company.

Nor do I intend to complain particularly about their rates as far as the city of Toronto is concerned. I think those rates are very fair. That may not be entirely true as far as the suburbs of Toronto are concerned, and I think that is where the main objection comes from. The city of Toronto covers a very large area, and from time to time the telephone company has extended its basic area to include not only the city itself but the township of York, with some 85,000 people, and the township of East York, with another 45,000. So that from time to time, perhaps as a result of a little pressure from the municipalities, the basic area has been extended. In the last few years the suburbs have grown tremendously; and many people in those districts which have been built up during the war and since are complaining of the higher rates they have to pay, and urging that they should be included with those who enjoy the basic rate. That is, of course, a matter which can be threshed out before the board of transport commissioners.

However I do object to the Bell Telephone Company coming here at this time and asking for an increase of $350,000,000 in their capital. That is a sizeable amount and, as far as I can see, it has not been justified by anything presented by the hon. member for Outremont (Mr. Rinfret) in sponsoring this bill. The hon. member gave the house information which I have read. I have read, as well, the financial statement of the company for 1946, to which I shall refer a little later. I say I do not see any justification at all for this application. When this company was incorporated in 1880 it was given powers about as extensive as it could think of at that time, though those powers may not be so extensive now as the company would wish, because of new inventions which have come along. At that time the company started with a capitalization of $500,000. Some time later this was increased to $50,000,000, and eventually, in 1927, the company was allowed to increase its capital to $150,000,000.

As far as I can learn, as late as 1945 the company had used only $35,000,000 of this

increased capital. In other words, in 1945 the issued capital of the telephone company was only $85,000,000, and, after all, in 1945 they were serving a very large number of people. We must remember that this company operates only in Ontario and Quebec; and from the remarks of the hon. member sponsoring the bill we have learned that there are about 1,300,000 telephones in use. Even allowing for the fact that there are a great many business telephones, the number of other users cannot be increased very greatly unless the company goes into outside districts; and here again I want to corroborate to some extent what was said by the last speaker. I do not think the Bell Telephone Company is anxious to go outside the cities and larger centres of population. In other places there is a municipal, township or county telephone system which provides service for the local people, with perhaps as many as twenty-two on a line, and the Bell Telephone provides a long distance connection with that line. These people are quite satisfied; they get their telephone service quite reasonably, and have the benefit of long distance calls through the Bell Telephone Company and their own connections through their own little company.

I said that up to 1945 only $85,000,000 of the authorized capital of the company had been used. In 1946 this was increased to $86,000,000, and at the end of 1946 it stood at $104,000,000. The sponsor of this bill says that, in the last year or a little more, it has gone up to about $134,000,000. In other words, during the past four years the capital of the company has been increased by $50,000,000 and, as the sponsor says, this has been used to bring about certain improvements and extensions, and to give service to those who could not obtain it previously.

But that is not all the money available to the company. According to the *Canada Gazette* of very recent date the company has issued notice that it will apply to execute a mortgage bond which will give it another $35,000,000. I do not suppose all this money will become available to the company, because, as I understand these statements, there is a balance of $7,500,000 of a five per cent loan which, I believe, has never been paid off, and probably that will be paid out of this amount. But even so they will have $27,500,000 from this bond issue. They will also have all their free assets. I must admit that their assets are not entirely free, that they consist largely of fixed assets, but still they have some investments. For instance, they have investment securities amounting to $21,000,000, as well as other securities amounting to another few million dollars. So it is only fair to say that at this moment they have some $40,000,000 with which to go ahead; and that again is a considerable sum of money.

As I have said, the capital issued amounts to $136,000,000 but they have a depreciation reserve of $99,000,000, which ordinarily would be available for maintenance, repairs, improvements and so on. I am afraid, however, that this reserve has probably been used in connection with the fixed assets, to provide new telephones and equipment. But it is in fact there, and it is a nice, sizeable sum of money available to the stockholders, though they cannot use it at the present time.

I say that the amount of money for which they are asking cannot be justified in any way. The hon. member for Outremont who is sponsoring the bill spoke about what has been done in the last two years. I believe he pointed out that between August 1, 1945, and December 1, 1947, the company had installed a total of 293,000 telephones at a cost of $89,300,000. If that is so, those installations must have cost $305 each. Another 89,000 telephones are required, and they should not cost much more, if any, than the $35,000,000 or $40,000,000 the company has available at the present time.

I do not think anyone is so naive as to doubt that if a depression, however small, were to come, a good many telephones would be taken out, and would be available for use somewhere else. As a matter of fact, I believe the business of the Bell Telephone Company is as good an index as can be found of business conditions across the country, because one of the first things a person does if he is in difficulty is to get along without any telephone.

I am not suggesting that one should have to do without telephone service. It is a necessary service; and not just to keep the members of families talking to one another, but so that a businessman may keep in touch with his business, and so that doctors and other people may keep in contact with those for whom they are acting.

I do not want the people of Toronto to have to pay higher rentals for their telephones. The company has got along in the past. It is my belief that, the larger a city becomes, the more the telephone rates should be reduced, because the service is contained in a small area. All that is required under the automatic system is to get more automatic equipment. I know it has happened—in my own experience only once—that when one tried to get a party on a certain exchange he could not do so because

the connection was engaged as a result of too many people talking through that exchange. Up to the present time, however, that has happened only once in my experience, and I use the telephone frequently.

If $350 million in stock is issued at a rate of eight per cent it will mean an additional $28,000,000 per year to charge against the service. If that were divided among 1,500,000 subscribers it would mean about $18.65 a year per individual telephone. And, remember this, that you have only a limited number of new subscribers to whom telephone service may be extended and in the number of subscribers above I am adding on 200,000 to the telephones which are now in use. I feel certain that, if this great expenditure is permitted the cost to owner and user is bound to be increased.

Is it necessary for the Bell Telephone Company to sell more stock? Let me say that while they have been a satisfactory company, so far as their business methods are concerned, yet in one sense they are the greatest monopoly one could possibly imagine. There can be two railway companies; there can be two street railway systems; there can be two gas companies—two of almost anything else. But there cannot be two telephone systems operating in the same area, because, in my younger days, I lived in a town where there were two systems, and the result was that one had to have both installations. For satisfaction, you have to have telephone connections with all other telephone users.

In this instance, therefore, the Bell Telephone Company has the greatest of all monopolies. Perhaps its only justification for its existence lies in the fact that, like the gas company in Toronto, this telephone company has operated well, and at least to my satisfaction. I know nothing bad about it.

But, after all, they have a monopoly. They are really trustees for the people. If it became a question of whether the Bell Telephone Company should operate privately, or under government control, at the present time I would choose the private company, on account of the manner in which it has operated. But, after all, they are operating their company to make money, and they must be stopped. No, I shall say they must be controlled, not stopped, because human nature is too strong to resist making more money, if there is an opportunity to do so.

I do not think this parliament of Canada, at this particular time of all times, should consent to such a large increase in capital. It would tie the hands of succeeding parliaments, and we do not know what lies in the future.

[Mr. McMaster.]

I do not believe we have any right to make that commitment. It may be said that this matter will go before the board of transport commissioners. That, of course, is a fact. But, after all, we are the body who are responsible to the people. We are the governing body responsible for this matter, although we have not had a great deal of opportunity lately to carry out our wishes in a democratic way. I still think, however, that at this particular time we cannot give up rights which we have, nor can we abuse the trust the people have placed in us.

May I say a word about television. I believe television is a reality of the future, and something which may be of importance to the people. I do not know how it will develop, nor do I know who will produce it. I do not think, however, that the Bell Telephone Company should use funds made available for the operation of the telephone system for purposes of developing television.

I cannot think of anyone who wants television badly. Certainly I do not; I have no great desire to see the person to whom I am talking. It might be all right, but if it is to cost a hundred million dollars or a hundred and fifty million dollars, we can quite well do without it. I suggest that if television is to come in, and if the Bell Telephone Company is interested in it, then it should operate through a subsidiary, and the money the people pay in for a telephone service should be used for that service alone.

If the stock is offered on the market it cannot very well be offered at $100 a share. I believe the average price obtained from new stock issued over the years has been considerably higher than that, running up to $130 or $140. At present I believe it is being sold to employees of the company at $145.

There are many of the original shareholders who still own their own stock. The sponsor of the bill has said that the American telephone company owns fourteen per cent of the stock; I thought it was more, but I suppose it is a fact that, as the stock increases in amount their percentage decreases. That is quite right. I believe a short time ago it was as high as twenty per cent, but as stock is sold their percentage increases. The American telephone company are still holding stock that they bought at $100 a share. So that in any event, where stock is sold at more than its par value it means that they get the benefit to that extent. I should think that after sixty-seven years, since the original stock was sold, they could well do without getting any increase in

the value of their stock by new stock being offered to the public at less than market value.

I am strongly opposed to section 3 of the bill, which splits the present stock in four parts. I know the Bell Telephone Company do not want it, and it is to their credit that they do not. I can recall when one large organization in Toronto divided its stock into a four-to-one split. The stock went up in a bull market to such an extent that the one-fourth share sold for as much as the old original share. I cannot conceive of anyone wanting to buy a share of stock who cannot pay $100 for it. I think it is our duty to see that this stock is not cut up. I think it is just a stock selling proposition.

I am glad to see that the company has clarified to some extent the situation in connection with stock bequeathed by wills, and I believe that a transfer office has been opened in Toronto in addition to the office in Montreal. If that is not true, I think it should be done. It is not fair that people who own stock in a company which is at least one-half an Ontario company should have to go to Montreal in another province to have stock transferred.

I think the Bell Telephone Company should modify their bill. If all this stock is issued it will mean that they have a capitalization equal to that of the Canadian Pacific Railway Company. If they get in all this money they will actually have more money than the Ontario Hydro Electric system has now or will have when recent developments are completed. They are really asking for something that no one can foresee they will ever need. I do not think they have a right to come here and ask us to vote to approve their request.

Mr. H. G. ARCHIBALD (Skeena): Mr. Speaker, I should like to bring out a few points in this debate. From what I can learn, the company has $20,000,000 left and it wants $350,000,000 more. I like speaking in those terms, because in the past I was always in the nickel and dime class. Seemingly we are now dealing in astronomical figures. With this $350 million this company could absorb all the remaining privately or publicly owned telephone systems in Canada and become a monopoly. Perhaps the greatest weakness in the system of free enterprise is the constant tendency to go into monopoly. I would think that hon. members on the Liberal side would be quite sensitive about this and try to protect the people from this form of economy.

When monopolies such as this grow to such an extent they wipe out the small businessman and become what we term a soulless and heartless machine. During the war the army built a telephone line between Prince Rupert and Jasper for its own use. After the war that was taken over by the public works department. The Canadian Broadcasting Corporation pipe in a few programs over that line, but not all. If they piped in all their programs the Department of Public Works would charge so much that they could not afford it. The public works department said that they were giving a figure which was comparable with what a privately owned company would charge, and when they said that they were talking about only one company, and this is it.

Another interesting feature is that, while all the programs of the C.B.C. are constantly going over that wire, they charge only for those which are broadcast. I assume that the rest are run down the sewer, simply piped to one side. That is what you are up against when you try to get something for people in outlying parts of the world. You are met with the statement, "This is what private industry would charge." I submit that private industry as represented by this company dominates the whole picture in Canada today.

I suppose if one were to look at it from a cynical point of view or a non-constructive point of view he would let such bills as this run their course, so that the thing would become so transparent to the people that they would solve their problem by putting in a socialist government. Actually the people of Canada are becoming only too aware of such companies as this, and it is such things that are causing a political awakening of the people.

Mr. HOWARD C. GREEN (Vancouver South): Mr. Speaker, there are two features that have given me some concern in connection with this bill, and I should like to draw them to the attention of the hon. member for Outremont (Mr. Rinfret) who is sponsoring the bill. The first has to do with the question of rates. In the press of February 26 there appeared a dispatch from Montreal headed, "Hints of increase in telephone rates", which read as follows:

> Frederick Johnson, president of the Bell Telephone Company of Canada, told the annual meeting today that the company "cannot live forever within its present rates for service."

We had some experience in the house last year in connection with a bill brought in by the British Columbia Telephone Company. At that time I asked the sponsor, the hon. member for New Westminster (Mr. Reid), the intentions of the company with regard to rates. I should like to quote from page 2718

of *Hansard* of May 2, 1947, just to show the house what was said at that time. I asked the hon. member:

In this case, where there is a big increase in capital—

At that time we thought it was quite a big increase, but it was only from $11,000,000 to $25,000,000, which was small change compared with the increase asked for in the present bill.

—I think it is essential that some protection should be given to telephone users of British Columbia. I understand that the hon. member has been authorized to give assurance to the effect that the company has no present intention of applying for an increase of rates and will not make any such application unless compelled to do so by extensive changes in conditions.

Mr. Reid: That is my definite understanding.

Mr. Green: That assurance is clearly worded and contains a statement to the effect that an application will not be made unless the company is compelled to do so and then only by reason of extensive changes in conditions. If the hon. member for New Westminster is prepared to give that assurance on behalf of the British Columbia Telephone Company I for one shall have no objection to the bill passing.

Mr. Reid: I am authorized to do so, and it is my definite understanding.

I should like to know whether the hon. member for Outremont can give the same assurance on behalf of the Bell Telephone Company. It is important that we know whether or not the company intends, once this bill goes through, to apply for an increase in rates which, of course, will affect thousands and thousands of people and is a very important factor.

The second feature which has given me some concern is the amount of the increase requested, from $150 million to $500 million. By an amendment in 1882 the works of this company were declared to be for the general advantage of Canada. I suggest to hon. members that this parliament is responsible for, and should keep in touch with, what is done by the company. For that reason it is important that the company should have to come back to the house every so often. That is one reason why it should not be given an increase that is too large; the result might be that it would not come back here for twenty or thirty years; therefore I do ask the sponsor to give consideration to agreeing to have the amount of increase cut; I do not say to what figure, but I think the company is asking for too much. Last year the British Columbia Telephone Company increased its capital from $11,000,000 to $25,000,000, as I have said; or slightly more than double. Perhaps some such provision would be satisfactory to the Bell Telephone Company.

[Mr. Green.]

In speaking on second reading of the bill, the hon. member for Outremont explained that during the next five years it was planned to spend about $362 million. That information will be found at page 1701 of *Hansard*. Then, on page 1702 he explained that only about half of that amount would be raised by sale of capital. He said the rest of it would be obtained from borrowings and from other available resources of the company. Therefore, to provide for this capital expenditure in the next five years the company obviously does not need to have its capital increased by $350 million.

I would point out that the company has been coming back to the house in years gone by. Perhaps the hon. member for Outremont will correct me if I make a mistake in any of the dates. My understanding is that the company was incorporated in 1880, at which time it was given the power to do certain things. The maximum capital allowed was $1,000,000. In 1884 that was increased to $2,000,000; in 1892 to $5,000,000; in 1902 to $10,000,000; in 1906 to $30,000,000; in 1920 to $75,000,000; in 1929 to $150 million, and in 1948 we have the request for an increase from $150 million to $500 million.

I hope that the hon. member for Outremont will be able to make some statement to the house on these two points; first, as to whether assurance can be given with regard to an application for an increase in rates; second, whether the company would be satisfied to have a smaller increase at the present time. His answer to these two suggestions might make a material difference in the vote of quite a few hon. members.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I think the hon. member for Vancouver South (Mr. Green) struck the nail on the head when he suggested that, in the event of this house permitting the capital expansion requested by this bill, it might place the company in a position where it might not come back to this house again in the next twenty-five or thirty years. I suggest also that the hon. member for Outremont (Mr. Rinfret) should be able to answer the questions definitely, before the bill passes as to whether or not the company would be satisfied with a smaller expansion than it is requesting at the present time.

My main objection to this type of bill is that it creates in the company a virtual monopoly in that field. I am also mindful of the fact that during this war the army, navy and air force created the greatest communica-

tion system that this country has ever seen or ever will see, and I should like to know what happened to it. Where has it gone? Perhaps a lot of the money the Bell Telephone Company are requesting in the way of expansion of capital will be used to buy from War Assets a complete communication system built by the people of Canada, which has completely gone out of the picture.

I should like to ask a number of questions and have them answered before I would be prepared to say that this bill should pass. For example, the par value of the shares is being changed from $100 to $25. There is no time now to go into that particular angle of the matter, but I am familiar with amalgamations, the change of share values and the manipulations of a few, who own a lot of shares, in gobbling up the little people who have a small number of shares in companies of this kind.

Bills of this type asking for such a large capital expansion are bad legislation. It requires a lot of serious consideration by hon. members before it is allowed to pass. Are you getting anxious, Mr. Speaker, that we are approaching nine o'clock?

Mr. SPEAKER: The hour reserved for private bills having expired, the house will now revert to the business at six o'clock.

CANADIAN WHEAT BOARD ACT

PROVISION FOR EMPLOYEES' PENSIONS, MINIMUM PRICE OF WHEAT DELIVERIES, ETC.

The house resumed consideration in committee of Bill No. 135, to amend the Canadian Wheat Board Act, 1935—Mr. Howe—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: The committee is considering section 5, extension of parts III and IV to oats and barley.

Mr. ROSS (Souris): Before the measure carries, I wish to say just a word or two. When the resolution preceding this measure was introduced on February 27 I moved an amendment as set forth on page 1681 of *Hansard,* which, if carried, would mean three bills instead of one and would have dealt separately with, first, the payment of pensions; second, increase in minimum prices to the producers and, third, control of interprovincial movement of wheat products and extension of the present system to oats and barley. The hon. member for Swift Current presented a strong argument in support of my argument, as set out on page 1687 of *Hansard.* The Minister of Agriculture, as reported at page 1716 of *Hansard* said he believed my amendment was out of order. Then, on March 11, at page 2113 of *Hansard,* the Speaker ruled my amendment out of order. I appealed his ruling, and the hon. member for Swift Current, along with all other members of the C.C.F., voted to sustain the Speaker's ruling. As set forth on page 2128 of *Hansard,* the hon. member for Yorkton suggested moving an amendment to divide the bill. The Minister of Trade and Commerce then rose and said that at the proper stage, when we were discussing the bill in committee, he would undertake to separate the part concerning coarse grains and have that part sent to the agriculture committee for discussion. Today at the proper stage the Minister of Trade and Commerce—

Mr. HOWE: I think what I said should be correctly quoted. I am sure my hon. friend will not mind my correcting him. This is what I said, as reported at page 2129 of *Hansard.*

> It may shorten debate if I say that at the proper stage when we are discussing the bill in committee, I will agree to separate the part concerning coarse grains and have that part sent to the agriculture committee for discussion, provided that such discussion will make it possible to expedite the remainder of the bill, which should be non-contentious.

Mr. CASTLEDEN: It did not hasten the bill.

Mr. ROSS (Souris): I understood that the minister was speaking on behalf of the government and it was an undertaking that the bill would be divided. At any rate, today at the appropriate stage, the Minister of Trade and Commerce moved the appropriate motion to divide the bill. The Prime Minister, who had just voted for the passage of the second reading of the bill, then left the chamber, and on the motion of the Minister of Trade and Commerce to divide the bill, the hon. member for Yorkton, along with all other members of the C.C.F., voted with some of the cabinet ministers, I believe, including the Minister of Agriculture and supporters of the government, to defeat that motion which I considered an undertaking that the government would carry through.

Mr. CASTLEDEN: On condition that it would facilitate the bill.

Mr. ROSS (Souris): We were double-crossed by the members of the C.C.F. and the government. The minister himself has argued that the measure at present is unconstitutional, and he admits that enabling legislation must be passed by all the provinces in Canada before the board can handle oats or barley, as suggested in this measure.

I have certainly never witnessed anything like this in the matter of legislation. We are opposed to such tricky legislation as is introduced at the present time. I wish again to point out, as I have done at every opportunity, that the increase in the initial price should have been set out in the bill, but the government have refused to do that. I cannot understand yet why the minister refuses to tell us what price they have in mind putting into the regulation after the passage of the bill.

The CHAIRMAN: Order. I think the hon. member is getting beyond clause 5.

Mr. ROSS (Souris): I have one other thing to say. This legislation was referred to in the speech from the throne last December, and when I was discussing that I referred to it and asked the responsible ministers at that time to see that this legislation would be introduced early in the session and that it would be referred to the committee on agriculture where it could be properly studied and dealt with at that time. That is quite a while ago, and I still think it was an undertaking on behalf of the government to divide the bill and should have been carried out. I feel we were double-crossed, and I am sure many other people in the country will also feel the same. With that, I wish again to register our disapproval of this measure as it is at this time.

Mr. BENTLEY: We take exception to one or two of the remarks made by the hon. member. They cannot go unchallenged. We double-crossed no one, and we have no working agreement with anyone on which to double-cross anybody. On February 27 when the bill was introduced and that is nearly a month ago, and there was still a month before the Easter recess, we felt that the position we took in support of the amendment was such that possibly it would facilitate the passage of the bill, and we were extremely anxious that this money should go to the farmers who so sorely need it and who own the money and will have to have it this spring.

We lay on the government the responsibility for the delay in not bringing that legislation back again until, I believe, March 11 or 12. But no matter where the responsibility lies for that, and whatever the causes of it were, the fact remains that two weeks have been lost, and we were in a position where we would not stand by and see any delay take place, which we could prevent, in having the money go forward.

There is nothing in the bill that is obnoxious to us. That is obvious. Other members may not like what we like, but there is nothing in the bill obnoxious to us. In principle, we agree with it. There are some things not

in it which we should like to see there. The situation on February 27, nearly a month ago, with at least a month between then and Easter, made the position different from what it is at the present time. Consequently, as I say, when the government did not bring in the legislation until two weeks later we considered it imperative on our part here to change our position in order to facilitate the passage of the bill. We will do so, and we will do our best to see that this bill goes right through every stage tonight.

So far as that is concerned, the position is as I have stated it. I want again to declare that we double-crossed no one. I had made no commitment, nor had any member of the C.C.F. made any commitment to the Progressive Conservatives that we would support their amendment. At the time, as I mentioned before, and for the reasons I mentioned, we felt we could justifiably support it. We could not do so two weeks later. When it comes to the question of a vote on their amendment, His Honour the Speaker had ruled that the amendment was out of order.

Mr. ROSS (Souris): I stated that.

Mr. BENTLEY: That is right; the hon. member did. But I want to make it clear. I did not vote and no one in this party voted on the subject matter of the legislation before the house. We always try to vote on the Speaker's rulings according to our belief as to whether he is right or wrong. If we think he is wrong we vote against the ruling; if we think he is right we vote for it. In this instance we believed he was right in his ruling. That was the information we gathered from a reading of the rules.

I want to ask the hon. member for Souris whether he himself honestly believes that the Speaker's ruling was wrong. We took that position and continue to take it, and there was no other position we could take than the one we took. And it had nothing to do with the subject matter of the legislation which occasioned the amendment which the Progressive Conservatives brought forward, and which was declared out of order.

I do not desire to prolong the discussion. I do not wish to provoke a further debate because we want this to go through. But I want our position to be clear. I wish to say this also, that when it comes to a question of getting something which we believe is necessary for the citizens of our constituencies and for the people of Canada generally, we are prepared to facilitate it to the best of our ability, and we have consistently done so. But the two weeks' interval made us take a dif-

ferent position in the middle of March from the position we took at the end of February.

The CHAIRMAN: I think I should point out to hon. members that the rules provide that no member may reflect upon a vote of the house. If there is to be further discussion I shall state my position. I think the hon. member will agree with me that the discussion is out of order. The word "double-cross" is, I am inclined to think, unparliamentary. I think it means to deceive, and it is an improper word to use.

Mr. SMITH (Calgary West): Perfectly true even if unparliamentary.

The CHAIRMAN: I will say nothing further because the discussion on this point is ended. Shall clause 5 carry?

Mr. CASTLEDEN: In the light of the insinuation made by the hon. member for Souris, which I cannot allow to go by—

The CHAIRMAN: Order. After the hon. member for Souris had made his statement I allowed the hon. member for Swift Current to reply. As I have said, that discussion was out of order and I do not think I should allow any further discussion on that point.

Mr. CASTLEDEN: On a question of privilege, Mr. Chairman, the hon. member for Souris used the word "double-cross"—

The CHAIRMAN: Order.

Mr. CASTLEDEN: —and he referred to myself. You have ruled that word out of order. If the word is unparliamentary, then I would ask that it be withdrawn; otherwise, surely I have the right to defend myself against an imputation made with respect to me personally and other members of this group.

Some hon. MEMBERS: Withdraw.

The CHAIRMAN: I would request that the hon. member withdraw the word.

Mr. ROSS (Souris): I defer to your ruling, Mr. Chairman.

The CHAIRMAN: In my opinion, the word "double-cross" is unparliamentary and I would ask the hon. member to withdraw it.

Mr. ROSS (Souris): If so, I withdraw the word. We feel that we were certainly sold down the river.

Mr. GRAYDON: A rose by any other name would smell as sweet.

Mr. CASE: I think we have now arrived at the place where we are dealing with a part that concerns us. May I say to the minister that if this will stimulate production, then I am all for it, because I am convinced that before many months go by we shall want all the production of which Canada is capable. The trouble I have discovered in most of these regulations, bills and restrictions is that they have a tendency to dampen enthusiasm, curtail production and cause people to vie for an opportunity to market their goods in a more restricted market. In other words, we are legislating for an economy of scarcity in a land of plenty. That is the warning I sound.

The CHAIRMAN: Order. May I remind hon. members that we are on clause 5.

Mr. MILLER: Will the minister permit an unorthodox question? Does he now know how much additional he will pay out on this initial payment? Does he know the amount of the initial payment he will pay now or what he will increase the initial payment by now?

Mr. HOWE: I have arrived at a conclusion with regard to the payment that I shall recommend to my colleagues. Whether that is the payment the government will decide upon, remains to be seen.

Mr. MILLER: Can the minister not recommend it to parliament and let us pass on it?

Mr. FLEMING: There is one aspect of this matter which I think deserves attention, though I do not intend to delay the committee long.

An hon. MEMBER: Another long speech.

Mr. FLEMING: This particular section should never have been included in the same bill with other matters which are included in it. If the government had taken the proper course from the outset, and if their principal purpose had really been to expedite payment to the farmers, they could have had such a measure through the house long ago. But they have delayed that measure. Their tactics are responsible for the fact that the measure has not been passed hitherto. The government and the government alone are responsible for cluttering up this measure with a number of schemes of their own which should never have been introduced into it. Their attempt to bedevil this measure by bringing in all kinds of extraneous matters is responsible for the fact that the farmers have not received their payments before this. That is where the responsibility lies.

It does not help matters one bit for the Minister of Trade and Commerce to do as he did this afternoon, and commit a breach of faith with this house—

Some hon. MEMBERS: Now, now!

Mr. FLEMING: —in regard to the undertaking he gave to the house some days ago in this matter. This question was put squarely to him; and his undertaking, if one can speak of an undertaking on the part of the government after the hair-splitting done on that subject by the Minister of Finance a couple of weeks ago—

The CHAIRMAN: Order.

Mr. ABBOTT: The hon. member cannot resist speaking on every subject. He is an expert on everything.

Mr. TUCKER: Why do you not follow your leader and let this go through?

Mr. FLEMING: I was referring to what might have been called an undertaking on the part of the Minister of Trade and Commerce if we had not had that other experience with his colleague. Here are his words at page 2129 of *Hansard*. They are perfectly plain words that the minister uttered. When the Minister of Trade and Commerce uses words of this kind and says, in effect, that the bill ought to be split and that he is quite prepared to have it split, it must be apparent that it should have been split right from the beginning and should not have been brought before the house in the form in which it was.

Mr. GRAYDON: He was splitting hairs instead of splitting the bill.

Mr. FLEMING: Here is what the minister said, as reported at page 2129 of *Hansard*:

> It may shorten debate if I say that at the proper stage when we are discussing the bill in committee, I will agree to separate the part concerning coarse grains and have that part sent to the agriculture committee for discussion, provided that such discussion will make it possible to expedite the remainder of the bill, which should be non-contentious. I am quite willing to do that.

Then, farther down the page he puts it on the basis of an offer to the house.

Mr. McILRAITH: Go ahead and read the rest of it.

Mr. FLEMING: He says:

> I think the offer I have made is a good one, and I hope hon. members will feel disposed to expedite the bill so that the money can be paid out and so that a pension plan can be made effective.

Mr. GRAYDON: It gets worse as it goes on.

Mr. FLEMING: The house took him at his word, Mr. Chairman, and you will find that debate on that resolution ceased forthwith.

[Mr. Fleming.]

Mr. GARDINER: We are not taking your word now.

Mr. McILRAITH: Read it all.

Mr. FLEMING: What happened? Was this undertaking fulfilled? Well, what kind of fulfilment was it?

Mr. McILRAITH: What kind of reading of *Hansard* was it tonight?

Mr. FLEMING: When the Minister of Trade and Commerce rose this afternoon he did not say, I gave this undertaking on a condition which has not been fulfilled; therefore I feel released from my undertaking. He did not say that at all. What he did say was this.

Mr. TUCKER: Order.

Mr. FLEMING: He said, well, I am going to go through the form of carrying out my undertaking, but I serve notice on all government members in this house that they ought to vote my motion down. The Minister of Trade and Commerce on March 11 was either speaking for the government or was making a statement which the house was led to believe was made on behalf of the government. In either case, what I say to you, Mr. Chairman, is that the Minister of Trade and Commerce broke faith with the house this afternoon. It is about time that this house realized, and the house made the government understand, that the only basis upon which democratic institutions can be carried on and the only basis upon which they will command public respect at a time like this, when democratic institutions are being assailed in every quarter of the globe, is this: statements made in the House of Commons must be backed up by good faith; when a statement is made by a minister of the government, in language as plain as this, in unmistakable language, and the house takes that language at its face value and keeps faith with the minister, the minister and the government which he represents should be required to keep faith with the house. What we saw this afternoon is, in my opinion, if I may say so—

The CHAIRMAN: Order.

An hon. MEMBER: It was a free vote.

The CHAIRMAN: The Minister of Trade and Commerce has not himself seen fit to object to the charge that he broke faith with the house. In my opinion, that is unparliamentary language; and even if the minister himself does not object to it, I am forced to do so. I would ask the hon. member not to use that kind of language.

Mr. HOWE: I took it whence it came, Mr. Chairman.

Mr. FLEMING: I said something about the importance of good faith in undertakings or statements to the house by ministers of the crown. These statements should be given with the full weight of good faith behind them. Recently in the house we had a distinction drawn by the Minister of Finance between a statement and an undertaking. A statement is said to be different from an undertaking. In other words, if it is simply a statement without being couched in the word "undertaking", then the ministers apparently feel free to be relieved of it at their whim. I hope this house will make it clear to the ministers one day soon that it will not be trifled with, and will insist upon the most punctilious performance on the part of ministers of statements made to the house. We shall be satisfied with nothing less than complete good faith on the part of ministers, and I hope a change in that respect will soon come.

Mr. GARDINER: I rather think we are all out of order, but I think I should be permitted to say something in reference to what has just been stated. As a matter of fact, I think the Minister of Trade and Commerce today went very much farther than he undertook to go when the statement was made. The proposal at that time was that if, by doing so, we could advance the discussion of this measure, he was prepared to move that we instruct the committee to divide this legislation. That proposal in the first instance came from the C.C.F.; and immediately after it was made, members of the official opposition rose in their places and protested, making statements which were interpreted by the house to be in opposition to the proposals made by the minister. As a result of those statements, three members of the C.C.F. group rose one after another and withdrew their support of the suggestion they themselves had previously made that the bill be divided and the oats and barley section be referred to the committee on agriculture.

At that time I rose in my place and tried to suggest to the official opposition that they should accept the proposal of the minister. At no time did they accept it. They went right on discussing the question, and continued to discuss it for, I think, about two days. Then, when the matter came back to the house the discussion was continued, so that I think the minister would have been quite justified in saying today he was under no obligation whatever to go farther with the proposal which was made a few days ago, or what has come to be a few weeks ago. However he took the position that, since some objection was raised by the official opposition to that suggestion, he would make the motion he had suggested he would make. That motion was moved; the house was given an opportunity to divide on it; it did divide, and the result of the division was a denial of the suggestion made, not by the official opposition but in the first instance by the C.C.F. group, and never at any time assented to by the official opposition. So that I say the minister went very much farther than he undertook to go originally. The house divided and, in the light of all the circumstances, I think came to the only reasonable decision it could reach.

Section agreed to.

Title agreed to.

Bill reported, read the third time on division, and passed.

AGRICULTURAL PRODUCTS ACT

AMENDMENT TO PROVIDE FOR CONTINUANCE IN FORCE UNTIL MARCH 31, 1949

Right Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Agricultural Products Act by providing that the act shall be continued in force until the thirty-first day of March, nineteen hundred and forty-nine.

Mr. BRACKEN: Would the minister prefer to make his statement now or in committee?

Mr. GARDINER: I think it would expedite matters if we had our discussion in committee. This is the same bill that we dealt with before the Christmas recess, during the present session. At that time we considered it at some length. I presume hon. members will desire to ask some questions with respect to the agreements entered into since that time, and I think that could be done to much better advantage when we can discuss matters back and forth across the floor. So I suggest that it be done in committee rather than on second reading.

Mr. BRACKEN: We are quite agreeable to the course suggested by the minister. I suggest that when we get into committee the minister give us what information he can, particularly in regard to the details of the contracts already entered into with Great Britain.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. BRACKEN: Is the minister not going to make a statement?

Mr. GARDINER: When this measure was before the house before the Christmas recess we were discussing the possibility of entering into agreements with Great Britain concerning some of our most important farm products. At that time the house was most anxious to have the terms of those agreements and some facts based upon the discussions then taking place. I found it impossible to give that information at the time, so that this evening I should like to place on record the main facts with regard to some of the most important of those agreements, more particularly those concerning the four products which have been most under discussion, bacon, beef, eggs and cheese, and possibly some of the less important products as well.

With regard to bacon, what was known as the seventh agreement with Britain applied to the period from January 1, 1947, to December 31, 1947. The maximum quantity contracted for was 350,000,000 pounds, and the contract provided that not less than 265,000,000 pounds be delivered. We anticipated that we would exceed the 265,000,000 pounds by about seven or eight million pounds, but following the strike in the packing plants across the country it was found impossible to reach the total we had hoped. The actual amount shipped under this agreement, down to February 29, 1948, which included Wiltshire side which had been placed in storage prior to the end of the year, was 225,893,000 pounds, to the value of $62,174,527.

On January 1 we entered into the new agreement, which is known as the eighth agreement in relation to bacon. The minimum quantity contracted for was 195,000,000 pounds. The percentage of Wiltshire sides specified is 75 per cent. The price per 100 pounds, A grade. f.a.s. Canadian seaboard is $36. The actual quantity shipped from January 1, 1948, to February 29, 1948, was 23,725,882 pounds, to the value of $8,525,317. I can give some of the facts later in answer to questions, if desired, but I do not think it is necessary for me to review with the committee the other pork products such as pork offals, hog casings and different products of that kind which make up the pork products which come under this contract. But the prices were raised in each of them in proportion to the rise in the price of bacon.

The next contract has to do with beef.

Mr. WRIGHT: When did that contract expire?

Mr. GARDINER: On December 31, 1948, the contract as drawn expires. But the understanding is given, by letter, that the contract will be drawn for 1949 covering the calendar year and will have in it a floor price not less than the 1946 price.

Mr. ARGUE: What was the 1946 price?

Mr. GARDINER: I do not recall at the present time exactly what it was, but there have been two increases since that time. The 1947 price was increased from 1946, and there is a 1948 increase.

Mr. TUSTIN: Did I understand the minister to say it was $36 a hundred, or $36 a hundredweight.

Mr. GARDINER: It is $36 a hundred.

Then, with regard to beef, the third agreement was entered into on January 1, 1947, to December 31, 1947. The minimum quantity contracted for was 120,000,000 pounds. The price per 100 pounds f.o.b. Canadian seaboard, choice quality red, was $24.25; good quality blue, $23.25, and medium quality, $21.10. The actual quantity shipped from January 1, 1948, to February 29, 1948, inclusive, was 39,414,000 pounds, carcass weight, valued at $7,650,940.

The fourth agreement was entered into on January 1, 1948, to December 31, 1948, and the same terms as in the bacon contracts are agreed to with regard to 1949 as to payment. The minimum quantity contracted for was 50,000,000 pounds. The price per 100 pounds f.o.b. Canadian seaboard, choice quality red, $27.50; good quality blue, $26.50, and medium quality, $23.10. The actual quantity shipped, January 1, 1948, to February 29, 1948, inclusive —I must say I have not the exact figure; I shall get it later. I notice that the figures are not filled in here.

Then we have beef offals, the same as pork offals, which are also covered. Then we have Canadian canned meat also covered under the agreement. Mutton and lamb are covered under a special agreement but for smaller quantities.

We also have an agreement with regard to oxtails. Then, under the dairy products we have cheese agreements—

Mr. BRACKEN: What is the amount of the contract for last year? What was the amount you undertook to deliver last year?

Mr. GARDINER: We undertook a year ago to deliver 120,000,000 pounds of beef.

Then in respect to cheese, the eighth agreement was on April 1, 1947, to March 31, 1948. The quantity contracted for was 125,000,000 pounds. The price per pound, first grade, twenty-five cents f.o.b. factory or grading station shipping point. Actual quantity ship-

ped from April 1, 1947, to February 29, 1948 inclusive was 56,439,324 pounds, valued at $14,565,060.

The ninth agreement on cheese becomes effective April 1, 1948, and continues to March 31, 1949. The quantity contracted for is 50,000,000 pounds. The price per pound is thirty cents f.o.b. factory or grading station shipping point. Of course there is none shipped under that contract up to the present time. April 1 is the first date upon which shipments will be made.

Then there are contracts with regard to evaporated milk which cover 600,000 cases with an increased price, and roller dried skim milk for 8,000 pounds at increased prices.

A most important contract for a considerable amount of farm produce is that for eggs. The seventh agreement of February 1, 1947, to January 31, 1948, shows a quantity contracted for of 83,000,000 dozen. The price per dozen grade A large eggs, Montreal basis, was forty-one cents for spring eggs, and the price raised to 42·5 cents effective May 5, 1947, to compensate for rising feed costs. The price was 47·75 cents for fall eggs, and it rose to 50·57 effective May 5, 1947, to compensate for rising feed costs. The actual quantity shipped was 56,690,670 dozen in shell from February 1, 1947, to February 29, 1948 inclusive. The value was $26,230,313. Then, 13,519,968 pounds of dried eggs for the same dates, valued at $11,885,770; and of frozen eggs 4,994,615 pounds for the same dates valued at $1,552,700. When those quantities are totalled up they amount to a little in excess of the quantity we had undertaken to deliver, namely 83,000,000 dozen.

The eighth agreement February 1, 1948, to January 31, 1949, showed a quantity contracted for of 80,000,000 dozen. The price per dozen grade A large eggs Montreal basis was 47·50 cents for spring fresh eggs and 54·25 cents for fall fresh eggs. Storage eggs were 52·75 cents; dried, 99 cents per pound; frozen, 35 cents per pound. The actual quantity shipped was 414,120 dozen shell, spring export 1948, February 1, to February 29, 1948; value, $193,090.

These are some of the facts with regard to agreements which have been entered into. I may add that the contracts with Great Britain are for quantities which we estimated could be sent to Great Britain this year.

In so far as bacon and beef are concerned up to date we have greatly exceeded the quantities we had estimated at the beginning of the year. I should like to say, however, that it is probably too early to suggest that that production will keep up throughout the year. We estimate that the production of hogs will be higher down to the middle of August than we had anticipated, and that there will probably be some drop off as compared with the production estimate from that period until the end of the year. But we do anticipate that we shall be able to fill this contract in quantity as it is now drawn during the present year.

So far as beef is concerned, deliveries there again have been higher in January and the early part of February than anyone anticipated. I should like to say in that connection that this was probably somewhat due to the fact that barley prices ran to quite a high level in January. There was a much heavier marketing of cattle during the month of January than anyone anticipated. The result of this was that cattle prices went down about one cent. Those prices have been coming back recently, and the run of cattle is not as high as it was in January. For that reason there is not as much grain being fed in Canada. I think the farmers anticipated that if prices ran along about where they were in the latter part of the year, and as we anticipated they would through that period, they would feed these cattle through until the end of April, as was their practice. But this year when prices went up to over $1.30 a bushel for barley in January, there were heavy shipments of cattle to market. Those heavy shipments placed more beef in the hands of the meat board to be shipped to Britain than was anticipated, but it is expected that, as we come toward spring when those cattle would have been normally delivered, the deliveries will be down as compared with previous estimates. The one may just about balance against the other. In other words, our deliveries down to about the end of April may not be greatly in excess of what was anticipated at the beginning of the year.

In stating that I draw the attention of the committee to the fact that that has something to do with the figures given today by the hon. member for Calgary West with regard to the increase in grain holdings in Canada at the present time. That grain is not now being fed to cattle that have already been slaughtered. There are results from that which I do not wish to discuss on this particular bill at this particular time. No doubt there will be a time during the session when we can discuss that matter.

Mr. CARDIFF: Can the minister tell the committee how the amount of bacon exported to Britain from January 1, 1948, to the end of February compares with the amount that was exported in the same period of 1947?

Mr. GARDINER: Very much higher. I do not think the proper term to use is "the amount exported", because Wiltshire sides go into the vat for curing and when they are once there they are on their way. If we look at the situation from that point of view about 48 per cent—I am speaking from memory—more Wiltshire sides went into the cure in January of this year than a year ago. There was about 25 per cent more beef delivered to the meat board for delivery to Great Britain in January than there was a year ago. Those deliveries remained high through the greater part of February, although I have not the exact percentages.

Mr. REID: How do egg shipments this year compare with those of last year? Are they going up?

Mr. GARDINER: I just read the actual shipments for 1947 into the record. There were 750,000 more marketed for export in January, 1948, than in the same month of 1947.

Mr. BRACKEN: Mr. Speaker, we on this side have no intention of delaying the discussion on this measure at this stage, but I wish to take a few minutes to state our position. I might say that the hon. member for Kamloops will be leaving and will not be able to contribute to the debate at a later stage; therefore he intends to take some part in the discussion tonight.

As the minister has stated, he is asking for the continuation for another year of the Agricultural Products Act. This act was passed in March of last year and was to be effective for one year or until the end of December if we met again in 1947, as we did. It was extended again in December, 1947, to be in effect until the end of March of this year, and now the minister is asking leave to introduce a bill to provide for its extension for another year.

It will be remembered that the original act gave the minister the power to take the farmers' crops and sell them at prices to be fixed in contracts with Great Britain. Some prices were already fixed, but others were to be fixed by the government. Under this amendment the minister is seeking the power to continue to make such agreements. As he says, this bill will continue the powers which he considers necessary to carry out the present agreements.

Some days ago we asked the minister to table the agreements. Later he gave some of us copies, but I do not believe the agreements were tabled because, as he said, they were not signed. I suggest that the minister indicate, before we pass this stage, why agreements which were made in December are not signed by March, three months later?

Our general position on this measure is well known. We are opposed to it in principle. We are opposed to it because it is a complete negation of the form of marketing act which we favour and which the organized producers from one end of this country to the other are seeking. We favour an act based on the principle of provincially sponsored marketing boards operated by the organized farmers themselves.

The minister indicates and, of course, we all know that it is necessary to pass whatever legislation we are going to have within the next few days. Our opposition to this bill is one thing. It is well known. We do not propose to try to kill the bill by a long debate. We are, therefore, disposed not to delay it any longer at this time if I may speak for those associated with me, except for one address by the hon. member for Kamloops.

As I said, we favour marketing legislation of the nature I have outlined. We favour legislation which gives the producers themselves more say in the fixing of the prices of their products than is allowed them under this kind of legislation. We are opposed to the type of legislation which puts all price fixing powers in the hands of the government. We favour legislation of the nature of the Natural Products Marketing Act.

Mr. WRIGHT: I should like to say just a few words. We supported the extension of this act the last time and we intend to support its extension at this time. However we are doubtful whether this is the proper method to adopt, to extend the act from one year to another. We doubt whether that will fulfil the purpose of the act, which is to carry out the contracts we have and to encourage further contracts with Great Britain in connection with basic agricultural products.

It seems to this group that if this act were permanent, if we did not have to renew it from year to year, it would give much more permanency to our contracts with Great Britain and increase our ability to make future contracts with that country. We would much prefer to see a permanent Agricultural Products Act in Canada which would give permanency to long-term contracts and provide for the orderly marketing of our agricultural products.

Mr. FULTON: The leader of the opposition has outlined our position with respect to this measure, so that I shall confine my remarks to as short a space as possible. With other members of this party I am opposed to this

bill, to its principle and to every stage of its proceedings, because, unlike the hon. member who has just taken his seat, I feel that the longer the Agricultural Products Act remains on the statute books in its present form, the more confused becomes the situation with respect to the marketing of agricultural products in Canada, and particularly the more difficult it becomes to get the type of marketing legislation that we wish to have, and which the farmers themselves wish to have, namely, enabling legislation giving control over the marketing of their produce to producer boards.

Since our position is so well known, and since we have opposed this measure on each occasion it has been before the house—it has been before the house twice, once in its original form and once in the form of a temporary extension; we opposed it on both these occasions—it is not necessary to go in detail into the reasons why we are opposed to it. My remarks can be kept to a very brief compass.

I want to say at the outset, in outlining the reasons why we are opposed to it, that the first is the unwarranted assumption that the necessity of this particular legislation is based on a continuing emergency. We have slipped into the habit, it seems, of accepting government statements that there is a continuing emergency, while no longer requiring them to prove that as a fact. I feel, in passing, that it might be more realistic for the government to say that it is necessary in view of some impending emergency, and for them to direct their attention to the future, instead of making this unwarranted assumption that there is an emergency continuing from the past. If they did that there might be a basis in logic and reason for calling this emergency legislation. But since it is based on the so-called continuing emergency, I find no reason to agree with that view.

Second, the administration of the particular marketing policy of the government under this act has been such as to inflict serious losses on the farmers, and for that reason as well I am opposed to its continuation. The practice has been to force the farmers to carry the burden of national policy as represented in the contracts with the United Kingdom, under which Canada provides food at low prices to the people of that country. The result has been that the farmers alone have suffered the loss, instead of that loss being spread over the whole economy of Canada; while at the same time the effect of these contracts and the embargoes on exports to the United States, all tied up in this policy, has been to freeze prices in Canada and to impose further losses on our agricultural producers.

The third reason why I cannot support the continuation of this act is that there is in it no proper provision to give a voice to the producers in the regulation of their own affairs. That can be seen by a study of the bill in general; but, without reading it, I refer particularly to section 5, a brief study of which proves conclusively that the governor in council, the Minister of Agriculture, is the one who determines every aspect of prices, amounts produced, amounts sold, every aspect of our production and marketing, taking control away altogether from the farmers who do the work, grow the produce, and who are anxious to have legislation enabling them to regulate their own marketing.

What we need, what we demand, is a marketing act giving an opportunity to the producers to control their own production and their own sales, giving recognition to producer boards which are already established, and encouraging the establishment of other producer boards. This has been the cornerstone of the Progressive Conservative platform with regard to agricultural matters ever since this party has existed, and it has had a tremendous impetus, of course, since the leadership was taken over by the present leader of the opposition. This is a policy which reflects the view of organized agriculture; but in this particular case it is fair to say that, although we are frequently accused of being reactionary and behind the times, yet in this case—and it is not confined to this case—the policy of this party has preceded the expressed view of agricultural producers, of organized agriculture in this country, because in 1935 this party actually introduced such legislation, which, while perhaps not perfect in all its terms, did contain the principle which we have continued to advocate.

I should like to indicate briefly why, although we do not find in this legislation the kind of marketing proposals we advocate, we go farther and oppose the present act and ask that it be discontinued. We wish it eliminated so that a producers' marketing act may be substituted in its place. Last year, when the bill was first introduced the then hon. member for Yale outlined the position which we took with respect to this matter. In order to abbreviate my remarks, I think I cannot do better than quote two or three passages of what he had to say at that time. I am reading from *Hansard* of March 14, 1947, at page 1371:

> We are not in accord with the principle involved in this bill. We do not consider it right

that the farmer who produces the product should have no say in its disposition or in the price he shall receive for it, and in that regard we are on all fours with the representations made by the Canadian Federation of Agriculture a fortnight ago today.

He was referring to a meeting which had been held in Ottawa in March, 1947. He continued, further down the page:

The main reason why I am so strongly in favour of recognition of the boards at present in existence under the provincial marketing acts is that they are producer boards. The basis of those nine acts is just this, that in any stipulated area, if there be a majority of producers of certain commodities who desire to form themselves into a board, they may receive permission to do so. They elect their board, and that board carries out the control and the regulating of the marketing of the crops in an orderly fashion for the benefit of the producer, the benefit of the consumer and the benefit of trade, and it is only reasonable to my mind in a matter of this kind that the government should recognize the fact that such boards are in existence and that they are efficient.

The then hon. member for Yale accordingly moved on behalf of the official opposition an amendment to the bill, embodying our attitude with respect to marketing legislation. The amendment read as follows:

That the said bill be not now read the second time, but that it be resolved that an Agricultural Products Act should be based on the principle that producer boards, set up under provincial marketing acts, where such boards exist or as they may from time to time come into existence, be used for the purposes of such Agricultural Products Act, instead of commodity boards established by the minister under section four of the said bill.

This particular type of marketing legislation which was desired and which was contemplated in the amendment, which we desire to see in place of this act, affects most particularly a commodity grown in the province of British Columbia. I refer, of course, to apples. The uncertainty with respect to the future of the marketing of apples arises particularly through the loss of the British preference and through the lowering of tariffs against United States apples under the Geneva trade agreements. I have had consultations with representatives of apple growers, and they tell me that they are particularly concerned with regard to the marketing of their crop in the coming year. They have virtually no hope of getting into the British market; they are uncertain as to the competition which may come from the United States, and they are afraid that chaotic conditions of marketing in Canada may follow from the lack of overseas markets and the lack of effective powers in their own boards adequately to regulate marketing in Canada.

[Mr. Fulton.]

That is why they feel particularly that the time has now come that we should no longer delay the enactment of enabling legislation to give producer boards power to control and to regulate their own marketing within this country.

On this point I wish to make a brief reference to the loss of the British market and to emphasize why it is important that we in Canada should have marketing legislation of the type to which I refer. Officials who appeared before the senate committee to discuss the Geneva agreement and elimination of the British preference on apples have said that the reason why Canadian negotiators were willing to give up that preference was that the British market was very much less attractive now than it used to be. Their statement can be found in volume 2 of the proceedings of the standing committee of the senate on Canadian trade relations. If that were the case, and if the British market were actually less attractive than it was, then there might be good reason why we in Canada should look elsewhere for a market for apples.

I got in touch with the British food commission to check up on figures as to United Kingdom apple production, and I find that the figures they have do not substantiate the statement that the British apple market is less attractive to Canadian producers than it was before. It is true that, owing to the shortage of dollars, the British are not at the moment buying apples, but the officials referred to above went further and said that Great Britain has tremendously increased domestic production of apples, so that in the long range view the United Kingdom market is not as attractive to Canadian producers.

The figures given by the British food mission on British apple production do not bear out this contention. The number of apple-producing trees in Great Britain and Northern Ireland—I obtained the figures for the years before the war and after the war—is in each year approximately the same. Before the war they had 14,506,000 producing trees in 1938-39, and 15,245,000 in 1939-40; after the war in 1946-47, they had 14,799,000. Before the war, in 1938-39, the total consumption in the United Kingdom was 444,200 tons; after the war it was 451,300 tons. Domestic production for the years before and the first year after the war were:

	Tons
1936-37	345,300
1937-38	156,400
1938-39	86,400
1939-40	453,000
1946-47 (post-war year)	360,500

So that there is no increase in domestic production, nor is there an increase in the plantings of domestic trees, and therefore the figures do not bear out the statement made that the United Kingdom apple market is a less attractive market in the long run for Canadian producers.

That being the case, it is, I think, most regrettable that the Canadian apple producer has been faced with this reduction in the United Kingdom preference on apples, and of course it has confronted him with uncertainty as to the marketing of his crop in the future. Moreover, as I have said, it drives home the fact and makes more important than ever the necessity of introducing in Canada marketing legislation which will give the producer the responsibility and the opportunity of regulating the marketing of his own produce in an orderly fashion.

Last year, when the matter was being discussed, the minister indicated—I think it is fair to say he so indicated—general agreement with the principles put forward by the Canadian Federation of Agriculture on behalf of organized agriculture, but he said the time was not yet ripe to introduce the type of marketing legislation for which they were asking.

Here we are asked to renew the same act for another year, and no amendments have been made; there has been no progress toward the introduction of producer marketing legislation.

In closing, I wish to ask a number of questions and I hope the minister can give some answers to them before the resolution passes the committee. First, when may we expect to have the type of marketing legislation which the Canadian Federation of Agriculture have been pressing for, which they pressed for last year, and which I have been discussing tonight? Second, what commodity boards have actually been established under the Agricultural Products Act as it exists at present, and with what provision for adequate producer representation? These are the words incorporated in the act, and I would be interested to know what producer representation has been provided for on the government commodity boards.

Another question is this. Would the minister give details of payments into and out of the agricultural products account since its creation under this act?

Finally, could he give the committee a rough estimate of the proportion of the total Canadian production which is going to Great Britain under the continuing contracts in connection with beef, eggs, cheese and bacon in particular. Could the minister give an estimate of the proportion of total Canadian production represented in the supplies we have agreed to send over under these contracts?

Mr. QUELCH: We support the idea of a commodity board because we believe in long-term international agreements. If you are to have such agreements you must have commodity boards, and we believe that such agreements are essential to Canadian agricultural production at a high level. But there is a question I would ask the minister. I believe the various farm organizations have asked the government to continue the Agricultural Prices Support Act as a permanent measure. Since that measure really underwrites the provisions of this measure, is it the intention of the government to make it a permanent measure? I understand that it is merely a transitional one at the present time.

Mr. GARDINER: The present measure has no terminating date in it at all. The only way in which it can be terminated is by the house. There is no period defined as a transitional period. It may continue right on. So far as legislation can be permanent, it is permanent.

Mr. QUELCH: But in the 1947 Canada Year Book it is stated that it is merely a transitional measure from war to peace and will therefore terminate shortly.

Mr. GARDINER: I am not responsible for what is in the Canada Year Book, but when the legislation was put on the statute books it was stated definitely that we were not prepared to limit the number of years to which it applied. It will be recalled that when I discussed the legislation I said that the term did run for eighteen or twenty years at the end of the first war.

Mr. QUELCH: I am glad to have the assurance.

Mr. McKAY: I have a few words to say on the measure. I shall be brief because I do not wish to delay the passage of it. First, I think it is generally recognized that agriculture is so interdependent on other parts of our economy that the general welfare of all Canadians has a distinct effect upon the well-being of this industry. In the last five or six years, as a result of the war economy, Canadians had reasonably full employment and good incomes. As a result of this condition, the consumption of agricultural products in Canada was the highest in history. More milk, butter, cheese, eggs and meat were consumed than ever before.

Second, the prosperity of agriculture in this country is also dependent on international good will. This is very true, since a good deal of Canadian agricultural produce enters world trade. Throughout the world today there is great need of agricultural products. The farmer could capitalize on that need by demands of excessive prices for his produce, but he prefers stabilized prices which are fair to farmer and consumer alike. He favours organized and orderly production and marketing in order that the production of farm products may be maintained to meet the world's needs.

Without that production the world will face malnutrition and, in some cases, virtual starvation. The production problem is closely related to the problem of distribution. In order to assist in the distribution of agricultural products, international commodity agreements are essential, especially in so far as the staple products are concerned, since these are always in demand on the international market. These staples include such commodities as wheat, bacon, cheese, beef, eggs and several others. I understand that this resolution has to do with the marketing of those agricultural products other than wheat.

The resolution before the house provides for the extension of the Agricultural Products Act until March 31, 1949. I have been informed that the Canadian Federation of Agriculture, in its presentation to the federal government at as recent a date as February 26, advocated floor prices for agricultural products and establishment of the Agricultural Prices Support Act as permanent legislation, with development, of course, of a fair statistical index which would indicate when support for agricultural prices is needed. I commend that program at this time to the government. I should like to suggest to the government that the Agricultural Products Act be retained until such time as federal marketing legislation is enacted. I feel that such legislation would be most acceptable to the farmer of Canada, especially if the farmer has some voice in the board that is set up under such legislation. The farmer would then know that his product will not be subject to the price fluctuations which, in the past, have been his unfortunate experience. The farmer is too often faced with insecurity, which is the natural result of speculative marketing of any kind. Most farmers have faced economic dilemmas because of the failure of governments to solve the marketing problem which often confronts the selling of agricultural produce. Mr. Henry Morgenthau, Junior, secretary of the United States treasury under the Roosevelt administration, puts it aptly in the following words:

> Of all the economic dilemmas which periodically confront us, the farmer's dilemma is one of the most terrible and, at the same time, one of the toughest to solve. When the farmer does not grow enough to satisfy the demand, prices rise, he makes a good living—and millions of people do not have enough to eat. When he raises too much, the bottom falls out of the market, he cannot keep up the payments on his mortgage, and his crops wither in the fields. The problem of the agricultural surplus is a tragic irony in the very centre of our economic system.

The extension of the Agricultural Products Act will help to solve this all too frequent economic dilemma; at least it will do that temporarily. I feel that much can yet be done to improve the lot of our producers. The government should now be considering federal marketing legislation to replace the act now before this house when it is discontinued one year from this date.

Mr. HERRIDGE: I rise to express my support of this measure. I shall not take up the time of the committee for long because I think unnecessary repetition is frightfully boring. In view of the representations of the agricultural organizations in this country, from the Atlantic to the Pacific, I think the time has come for this government to introduce federal marketing legislation. Experience justifies that act. We have the experience with provincial boards. Limited as they are through federal legislation, they have brought a measure of improvement to the agricultural producer. We have the experience through the War Measures Act in which the activities of various provincial boards were co-ordinated. I will say that the War Measures Act would not have functioned so efficiently had it not been for the provincial boards operating in various sections of the country.

We in Canada are falling sadly behind other countries with respect to agricultural marketing legislation. We have only to read the history of marketing boards and their development in Great Britain to realize that milk boards, potato boards, bacon boards and so on, are performing a necessary function. Those boards have been developed because of the necessity for them. Those boards were not introduced in the first instance, when they were originated in 1931, by a socialist government but by a Conservative government of Great Britain. I hope that this is the last time the minister will introduce a measure of this type into this house.

Before concluding, I wish to say that as far as I could hear I understood that the Progressive Conservative party oppose this

type of legislation. If they do, I would suggest that if their campaigners in the coming by-election in Yale tell the fruit growers of that constituency that such is their position, their vote will drop considerably.

Mr. FULTON: I have just done that. We want producers marketing legislation, not government compulsion. Would the minister answer the question I asked in regard to how many commodity boards have been established under this legislation?

Mr. GARDINER: I am just looking that up in *Hansard*. The question was answered for the hon. member for Brant. The hon. member has the answers on his desk. I have not them at the moment.

Mr. FULTON: That was in answer to a question on the order paper?

Mr. GARDINER: Yes, or an order for return.

Mr. FULTON: What about the other question? Has the minister the information before him as to the proportion of the production of each of the commodities which is sent to Great Britain under the contracts?

Mr. GARDINER: There is about 22 per cent of the eggs. While I have not the exact figures here, the commodities generally, outside of cheese and wheat, run from 20 to 25 per cent.

Mr. FULTON: Does that apply to beef?

Mr. GARDINER: Yes. That is taking meat as a whole. I cannot give the exact figures for each one. I could get them. I just have the general position in my mind. With regard to wheat, of course it is about 70 per cent of our wheat; 70 to 80 per cent, depending on the size of the crop. Of our cheese, it is about 70 per cent that goes to Britain. The bacon runs higher than the figures given. They run up probably over 30 per cent, between 30 and 50 per cent, in different years.

Mr. FULTON: Then has the minister before him information as to the payments into and out of the agricultural products account under this act? That account was set up and it was provided that all the moneys received under the contract should be paid into the account and all the moneys paid to the farmers for commodities delivered under the contracts should be paid out of it.

Mr. GARDINER: I have not the total, but the amount paid in would be whatever was necessary to cover the amounts we wanted to pay out. The act provides that up to $200 million may be paid into the account in a year, but the amount paid into it in any particular year up to the present would be a very small proportion of it. It would be only amounts having to do with the marketing of potatoes and the marketing of apples last year.

Mr. FULTON: The minister says the account is limited to $200 million. I refer to section 8, which says that all expenditures shall be paid out of the agricultural products account, and any moneys received shall be credited to that account. I was wondering what the totals would be, because I take that to mean all moneys received under these food contracts.

Mr. GARDINER: No, that has had nothing to do with the food contracts up to date; it has not been utilized in that connection. I presume the hon. member is speaking of the Agricultural Prices Support Act?

Mr. FULTON: No, I am speaking of the agricultural products account established under section 8 of this Agricultural Products Act.

Mr. GARDINER: That would be the total of the amounts I read into the record a few moments ago, showing what we had received from Britain for the different commodities. I read those figures into the record to begin with.

Mr. WRIGHT: If this act expires on March 31, 1949, and we still have contracts with Great Britain, will it not be necessary to renew the act again at that time?

Mr. GARDINER: Last year we gave an undertaking to the house that we would not extend either this act or that dealt with by the Minister of Justice the other day for more than one year at a time, that we would come back once a year and give an accounting if we wanted them extended farther. I would presume it may be necessary to extend this for another year.

Mr. ARGUE: The answer of the minister points up the fact that the government has no permanent policy in regard to an agricultural products marketing act. The stand of this group is clear. We want a permanent policy for the marketing of all agricultural products along the line of that provided for wheat, and oats and barley, if that ever goes through. On March 14 of last year, both the hon. member for Humboldt and the hon. member for Melfort moved the same amendment at different stages, and both were ruled out of order. Those amendments clearly state the position of the C.C.F. party. They read:

That this bill be not now read a second time but that it be resolved that in the opinion of

this house the government should give consideration to the redrafting of this bill to make provision for:

(a) A dominion marketing board to have control over the orderly marketing of any farm product in interprovincial trade within Canada and in export trade;

(b) Authority to confer on any existing local marketing board or agency established under law of a province, power to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade;

(c) The establishment where any provincial local marketing board or agency does not exist, of local marketing boards to administer any scheme of the dominion marketing board in respect of interprovincial trade and export trade, providing the establishment of such a board is favoured by a majority of the producers in the area concerned, the membership of such a board to consist of producers of the regulated product in the area to which this scheme relates.

While members of this group have advocated permanent, adequate legislation, nevertheless we are willing to have this measure pass, though it be quite inadequate, because certainly it is better to have this measure for one year than to have no measure at all. I thought the hon. member for Middlesex West gave the Minister of Agriculture some good advice last year, and I hope he is still giving the same advice now that he has become his parliamentary assistant. On March 17, at page 1441 of *Hansard,* the hon. member for Middlesex West said:

I as a farmer, and representing farmers, am here tonight from western Ontario in this great old province of ours, to support this Bill No. 25. I feel that the minister is too modest in bringing down this legislation and making it operative for only one year. I think it should extend for two or three years instead of one.

I hope the hon. gentleman still thinks so; I hope he is still giving that advice to the minister, and I hope the minister will listen to him and bring in a proper agricultural products marketing act. It seems to me that one of the reasons we do not have proper production in the agricultural products with which we are dealing this evening is that the government has not gone to the farmers and told them it would implement adequate legislation to guarantee the farmers decent prices year in and year out. No one knows when the government may decide that the transitional period is at an end; therefore no one can tell, the farmers cannot tell, how long this legislation will remain in effect.

I am glad the minister has signed new contracts with Britain for this year, but I think we should be clear as to what those contracts amount to as compared with the contracts of last year. The bacon contract last year was for 350,000,000 pounds. I was unable to take down the figures given by the minister, but at page 220 of *Hansard* for this session it was estimated that Canada would supply in 1947 about 250,000,000 pounds, or 100,000,000 pounds short. This year the minister has signed a contract providing for a minimum of 195,000,000 pounds of bacon, or just a little more than half the 1947 contract. The contract last year for beef was for 120,000,000 pounds, while this year's contract is for 45,000,000 pounds, or less than forty per cent of the contract last year. The cheese contract for 1947 was for 125,000,000 pounds. The contract for this year is for only 50,000,000 pounds, or a drop of sixty per cent. Speaking in this house in 1946, the minister said there was a contract for 1948 calling for the delivery of some 400,000,000 pounds of bacon. Now, largely as a result of government policies which have brought about a drastic reduction in the production of bacon, the government comes along with a contract for only 195,000,000 pounds. Speaking in this house in 1946, the minister said, as reported at page 4779 of *Hansard:*

Under the contract entered into we have agreed to a reduction in the quantity that we are required to deliver to at least 350 million pounds. In 1948 we have agreed to attempt to deliver 400 million pounds. In other words we believe that we can increase deliveries in 1948 over the deliveries in 1947 and therefore we have entered into a contract under which we agree to deliver a greater quantity in 1948 than in 1947.

And again:

We have attempted to avoid giving wrong information to the British as to what food would be supplied or could be supplied from year to year. Then we have written into the contracts the highest quantities that we felt sure we could deliver to the British.

The Minister of Agriculture certainly missed his guess in 1946.

Mr. GARDINER: The Canadian people are eating more than 30 per cent more.

Mr. ARGUE: I am glad they are. But the minister guessed wrong in 1946. And if he does not guess any more correctly this year, perhaps even the 1948 contracts, which are only a small part of the 1947 ones, will be no more accurate.

I would suggest to him that if he wishes production from the farmers he should do what his parliamentary assistant said last year he should do, namely, bring in a more permanent form for an adequate agricultural products marketing act. Then, if he will see

that the prices the farmers receive for these particular commodities bear a fair relationship at all times to the cost of feeds going into the production of those commodities, the farmers will come through with the production.

Late in 1947 we were given the financial agreement for the first three months with Great Britain to provide for payments under these contracts. The amount of that financial agreement was $145 million. Great Britain was to pay Canada $100 million in United States funds, and $45,000,000 was to come from the loan. According to a recent press dispatch last week Great Britain used its final $9,000,000 of the $45,000,000 credit set up for her for the first three months of 1948. I would ask the minister what financial arrangements are being made for the payment for products shipped from now until the end of March and for products shipped to Great Britain after the end of March, and if he can assure the committee that financial arrangements will be made to implement, even throughout 1948, contracts which have already been agreed upon as to both quantity and price.

Mr. GARDINER: In answer to the hon. member's first question, let me say the British have definitely undertaken to take quantities of food which are stipulated in the contracts at prices stipulated in the contracts. I have enough worries without worrying about where they will find the money. They will be worrying about that. They will find the money.

Mr. MACDONNELL (Muskoka-Ontario): The question asked by the hon. member for Wood Mountain has put a question in my mind. Would the minister give for the last three or four years the amounts of bacon shipped to Great Britain and also the amounts supplied to Great Britain from other sources? He will realize the import of my question. It is to show whether other people are getting a larger share of the bacon market and whether we are getting a smaller share. It seems to me that for the future that is important.

Mr. GARDINER: The quantities of bacon shipped to the United Kingdom for the last five years are as follows:

	Hundredweight
1943	5,603,093
1944	6,923,103
1945	4,460,693
1946	2,850,291
1947	2,320,014

In 1948, deliveries are higher thus far than in 1947.

Mr. MACDONNELL (Muskoka-Ontario): What other bacon supplies has Britain received during those years, and from what countries?

Mr. GARDINER: I have here a table which shows the quantities of food Great Britain has received from Canada, and the percentages these quantities represent of the total of food supplies. The figures are as follows:

	Cwts.	Per cent of total United Kingdom imports	
	1947	1947	1938
Wheat	67,785,527	81·9	28·3
Wheat flour	13,218,766	75·9	47·6
Barley	.....	....	27·5
Oats	1,968,609	92·9	93·9
Beans	57,605	6·8	24·3
Beef	292,543	2·9	0·6
Mutton and Lamb	22,996	0·2	
Bacon	1,962,454	74·4	18·6
Ham	1,265	78·5	34·9
Pork	.....	....	0·7
Pork offal	14,023	9·0	10·6
Butter	.....	....	0·3
Cheese	458,024	11·9	23·2
Poultry	107,479	18·2	2·8
Shell eggs (converted)	640,285	47·8	0·5
Dried egg	110,453	16·3	
Frozen egg	14,145	5·2	
Condensed milk (unsweetened)	245,557	20·7	56·6
Casings	6,183	6·2	7·8
Apples (fresh)	663,145	43·8	42·5
Potatoes	1,500,000	43·7	
Canned tomatoes	28,157	9·0	19·0
Canned foods (not specified)	12,225	10·5	85·5
SO_2 fruits, pulp	70,733	13·7	5·9
Canned salmon	204,938	30·7	13·5
Total	89,385,112	53·4	24·9

Mr. MACDONNELL (Muskoka-Ontario): The minister has given us a comparison of 1947 with 1938. I should like to have a comparison with 1943 or 1944 if he has the figures there.

Mr. GARDINER: I have not those, no.

Mr. MACDONNELL (Muskoka-Ontario): Why was 1938 taken?

Mr. GARDINER: That was the last complete year before the war, and the comparison shows our position now in the British market in the first complete year of the loan.

Mr. MACDONNELL (Muskoka-Ontario): Will the minister put the 1945 figures on the record later?

Mr. GARDINER: They could be, yes.

Mr. MACDONNELL (Muskoka-Ontario): Could the minister state what has been happening to the bacon market? He tells us that the percentage in 1947 was 74 per cent, which, of course, is much higher than before the war. Has he any figures in his mind which would indicate what is likely to be the continuing position? In other words, what are the prospects?

Mr. GARDINER: Of course the figures for 1943 and 1944 were the highest that we have had. They were very much higher than anything we might hope to be able to reach or maintain. That is due entirely to the fact that we had a greatly increased production of feed grain brought about by paying so much per acre to get it. We fed that feed grain in 1943 and 1944 together with the increased crops of those years. We never hope to get back to that position unless we are again under a condition of war when we would be practically the only exporter to Great Britain as we were during that period. Our aim this year, as was stated a few moments ago by the hon. member for Wood Mountain, is to reach the 1945 production. On some of these commodities we have not been able to do that, but I would point out that the exports do not give the complete picture.

The gross income figures of farmers for 1947 have just been published, and the amount as compared with the 1946 gross income is $2,002,195,000 as compared with $1,769,632,000 for 1946. In other words, there was an enormous increase in the return to farmers in 1947 as compared with 1946.

Mr. MACDONNELL (Muskoka-Ontario): Have you the quantities?

Mr. GARDINER: No. I have the total cash returns for the different products, but it would take quite a long time to read them. They are all published in a sheet that is distributed to anyone who desires to have it.

Mr. ARGUE: Has the minister the net income figures for 1947?

Mr. GARDINER: No, but I can get them.

Mr. ARGUE: They are really more important than the gross.

Mr. GARDINER: The net income figures will be just as much higher in 1947 over 1946 as are those figures I have given. That has been the proportionate general trend right through the years. The year 1946 was the highest we ever had down to that time.

[Mr. Macdonnell (Muskoka-Ontario).]

I can give the figures for the provinces in millions of dollars for 1947 as against 1946. They are:

	1947 (millions)	1946 (millions)
Prince Edward Island	19·0	17·2
Nova Scotia	33·1	34·2
New Brunswick	38·3	35·9
Quebec	295·8	251·9
Ontario	546·3	472·9
Manitoba	185·9	170·8
Saskatchewan	434·1	399·2
Alberta	345·5	285·0
British Columbia	92·7	85·6
Total	1,990·6	1,752·7

In every province but one there is an increase, but Nova Scotia is down $1,000,000.

Mr. HARRIS (Danforth): I should like to make some observations which, to my mind, will help not only the farmer in this country in his production but will be of general benefit to the whole industry, particularly in connection with the export of bacon to the United Kingdom. As the minister well knows, during the last two or three decades there has been a movement, probably led by Denmark, to reduce the weights of Wiltshire sides that are finding a market in the United Kingdom. The observation which I wish to make, speaking from experience—I think this will be borne out by hon. members—is this. The last ten pounds put on the hog before it is slaughtered are the easiest and cheapest ten pounds to put on. In view of that well-known fact the farmer makes his profit there. On the last ten pounds he makes a substantial profit. Has our policy been to encourage the British market to take a product a little heavier in weight, or are we still being led into a market which demands an even lighter weight or more lean and not so much fat? That has been the trend during the last thirty years. Has it started to turn the other way? If it has it should be encouraged to keep on in that way. If that were done the Canadian producer would find himself in a much more profitable position. It would increase our poundage for export with the same number of head of livestock; and as far as dietetics are concerned, in the judgment of many people who have studied this, it would be better for the people who are consuming the product if we reverse the trend a little. Has the minister's department made any study of that, and is he in a position to say that we are now down to the lightest possible weight, or are we able to increase the rate by four, five or six pounds? Even four, five or six pounds would be greatly to the benefit of the farmers of Canada; it would also benefit the consumers. What is the policy of the department in that regard?

Mr. GARDINER: The general policy is about the same as it was prior to the war; that is, we are encouraging the light, lean bacon hog, the long, light, lean bacon hog. We have increased the weight. During the war the weight went up somewhere between twenty and thirty pounds per live hog. That has been maintained; we have not changed that.

Mr. HARRIS (Danforth): Did the minister say, between twenty and forty pounds?

Mr. GARDINER: Yes. We allowed hogs to grade as selects, A's, at that weight. That happened about the middle of the war, along about 1942 or 1943, and we still maintain those weights.

Mr. HARRIS (Danforth): Not as high as forty pounds?

Mr. GARDINER: An average of about twenty. I say from twenty to forty pounds, somewhere in those ranges, depending on how they were finished. They can go up from twenty to forty pounds.

Mr. HARRIS (Danforth): If the average is twenty pounds, how could they go up to forty pounds?

Mr. GARDINER: The hon. member had better read the regulations and he will find that the weight is not set at even figures; but a man can get A's at a range that runs from about 200 to 240 pounds.

Mr. HARRIS (Danforth): Not forty.

Mr. GARDINER: In these weights. I am getting them, and I suppose you are, too.

Mr. CARDIFF: Would that not depend on the kind of hog that the weight was on?

Mr. GARDINER: Yes. It has to be the long, lean Yorkshire hog.

Mr. CHARLTON: I have some more remarks to make at a later stage of the bill, but there is one thing I should like to ask now. I have been following closely the figures that the minister was giving a while ago. I have my return in front of me now. I do not think the figures quite jibe with the wording in this return, and I am just wondering which ones are correct. For bacon, cheese and beef the 1947 figures are preliminary. Between now and Monday could the minister get these figures up to date? They should be available for 1947.

Mr. GARDINER: They may be.

Mr. CHARLTON: Can the minister do that?

Mr. GARDINER: If they are available.

Mr. MACDONNELL (Muskoka-Ontario): The minister will remember about the 1945 figures. He is going to give those.

Mr. GARDINER: Yes.

Resolution reported, read the second time and concurred in. Mr. Gardiner thereupon moved for leave to introduce Bill No. 171, to amend the Agricultural Products Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: Monday we shall take up, first of all, the resolution on the excise taxes, and when it is disposed of we shall proceed with the second reading and the committee stage of the bill which just received first reading. If any time remains after these are disposed of, the Minister of Veterans Affairs will go on with his resolution for leave to introduce a bill to amend the War Veterans Allowance Act.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, March 22, 1948

The house met at three o'clock.

PRIVILEGE

MR. BENTLEY—DISTRIBUTION OF APPLES TO MEMBERS

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, on a question of privilege, I find on my desk an apple under which there is a card bearing the following words:

> You have tried the rest;
> Now try the best.

I want to point out that the best apples come from Annapolis Valley, Nova Scotia.

Mr. A. E. ROBINSON (Bruce): I rise to a question of privilege, Mr. Speaker, affecting not only every member of the house but the nation as well. It is national in scope. We have before us some wonderful apples with the compliments of the member for New Westminster (Mr. Reid). I take exception to one line that appears on the card accompanying these apples, and that is that they come from Canada's premier province. I think it is well understood that Bruce county is the leading county of the best province.

Mr. REID: May I suggest, Mr. Speaker, that you pay no attention to the jealousy exhibited today. So far as apples are concerned, hon. members have the best before them.

Mr. MAYBANK: Mr. Speaker, when I get an apple for nothing I believe everything that is on the card.

MR. D. G. ROSS—NATIONAL HOCKEY LEAGUE—TORONTO MAPLE LEAFS

Mr. DOUGLAS G. ROSS (St. Paul's): Mr. Speaker, on a question of privilege, I was wondering if the Prime Minister recognized the fact that another layer of gold had been placed on our maple leaf by the Toronto Maple Leafs and the Montreal Canadiens. I want to bring to the attention of the house the fact that "Elmer Lach des Canadiens de Montréal a gagné le titre de meilleur compteur de la ligue nationale" and also that Turk Broda from the Toronto Maple Leafs won the goalkeeper trophy. My question of privilege is this: Some people think that Turk Broda, Connie Smythe and Sylvanus Apps are foreigners. I wish to correct that and tell you that in spite of the fact that Syl Apps has been reported by the papers as coming from Paris, France, it is Paris, Ontario. Turk Broda, Connie Smythe and Sylvanus Apps are all Canadians and Progressive Conservatives.

MR. MCCULLOUGH—REFERENCE TO LETTER RECEIVED ON MARCH 21

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, I rise to a question of privilege. Yesterday I received from the office of Doctor Beauchesne a letter enclosing a second one to Saint Peter, addressed to heaven. My point is that I am not Saint Peter and my address is not heaven.

Mr. CRUICKSHANK: Never will be.

Mr. McCULLOUGH (Assiniboia): I want the house to understand that no discourtesy was meant by the Clerk of the House in choosing to send the letter to me rather than to some other member. I intend to send the letter to the Prime Minister in the belief that he may be the person to whom it was meant to be forwarded.

MR. MAYBANK—WHEAT BOARD ACT—REFERENCE TO MOTION FOR INSTRUCTION TO COMMITTEE OF THE WHOLE

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, I rise to a question of privilege. In *Votes and Proceedings,* and I have no doubt in *Hansard* as well, my name is left off the list of those who voted for the motion of the Minister of Trade and Commerce (Mr. Howe) that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills. I did vote for that motion, and the fact is not recorded.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I rise to a question of privilege which affects every member of this house and which is both serious and far-reaching. On Friday last the Minister of Trade and Commerce (Mr. Howe) made an important motion arising out of a previous government undertaking he had given to this house with relation to the government's wheat measure. As he moved it another cabinet minister declined to be its

seconder. When the vote was taken only two out of a cabinet of eighteen supported the government motion. My question of privilege is this: Cabinet solidarity is a keystone in the very arch of responsible democratic government. Through it the people of Canada have the right to believe that they have assurance that when a member of the government says a thing is going to be done, then in fact it will be done—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member should not make a statement. I would ask him to state the question of privilege.

Mr. GRAYDON: I am now stating the question of privilege, Mr. Speaker, and I think I should have the right to proceed with it. Cabinet solidarity is a keystone in the very arch of responsible democratic government. Through it the people of Canada have the right to believe that they have assurance that when a member of the government says a thing is going to be done, it in fact will be done, and that nothing short of the defeat of the government and its consequent resignation will prevent that government promise from being carried out. That democratic guarantee was thrown to the winds by cabinet action last Friday, and I want to protest that action with every bit of vigour and earnestness at my command.

Some hon. MEMBERS: Order.

Mr. GRAYDON: This kind of thing—

An hon. MEMBER: He has made his speech.

Mr. SPEAKER: I would point out to the hon. member that he has stated his question of privilege and he should be satisfied.

Mr. GRAYDON: Mr. Speaker—

Mr. SPEAKER: It is against the rules that a member should use a question of privilege to criticize one side or the other.

Mr. GRAYDON: It is not a question of criticizing one side or the other. This would apply to any government no matter what it may be. I wish to conclude by saying that this kind of thing, if continued, will go far to shake the parliamentary foundations of our way of life—

Some hon. MEMBERS: Order.

Mr. GRAYDON: —when that way of life is being seriously challenged by other forces whose avowed object is to destroy it.

[Mr. Graydon.]

Some hon. MEMBERS: Order.

Mr. GRAYDON: I am not at all concerned with those political disc jockeys over there.

UNITED NATIONS

TEMPORARY COMMISSION ON KOREA—ACTION OF CANADIAN DELEGATE

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am now in a position to supplement the information I gave on March 10 regarding recent developments in the work of the united nations temporary commission on Korea and the position taken by the Canadian representative, Doctor Patterson.

We have now received a full report from Doctor Patterson on what happened. It appears that as the March 1 anniversary of the 1919 declaration of Korean independence drew near there developed a strong undercurrent of demand among the Korean people for some announcement concerning their future to be made on that date. Accordingly members of the united nations commission then in Seoul discussed and agreed among themselves, and cleared by telephone with the commission chairman, Mr. Menon, then in New York, that the acting chairman, Mr. Liu, should make a public statement on March 1, saying that the commission would accept the advice of the interim committee to observe elections in south Korea. General Hodge proclaimed the date of elections for May 9 after Mr. Liu had made this public statement. Doctor Patterson, who was in Tokyo at the time, was not consulted, although he had left his telephone number with the principal secretary of the commission on his departure from Seoul, with the request that he be called should any important matter arise; nor was a regular commission meeting called in order to discuss the matter. Accordingly, at the next regular meeting of the commission Doctor Patterson, under instructions, drew attention to the irregularity of the procedure by which this important decision was reached. He pointed out that if the commission were to proceed in this manner its impartiality and authority as a properly constituted united nations commission would be undermined. As a result of this intervention the commission re-examined the whole position very carefully in several days of private discussions and at the end decided that there should be a formal vote to record the position taken by each member.

On March 12 the commission formally decided "to observe elections announced by

the commanding general of the American forces to be held on May 9, 1948, provided that it has ascertained that the elections will be held in a free atmosphere where democratic rights of freedom of speech, press and assembly will be recognized and respected". The vote in favour of this resolution was 4 to 2, with Canada and Australia against, and Syria and France abstaining. In voting on this resolution the commission in effect recognized the validity of Doctor Patterson's objections to the irregularity of the earlier informal agreement to observe elections. I think that the importance which the Canadian representatives on the interim committee of the general assembly and the united nations temporary commission on Korea have attached to united nations bodies observing proper constitutional procedures has made a valuable contribution to the work of the united nations.

The reports in the press that Doctor Patterson had walked out of the commission were incorrect and misleading, both to the Korean people and to persons abroad. When the commission decided to observe elections in that part of Korea accessible to it, Doctor Patterson cabled us for further instructions. Pending the receipt of these instructions Doctor Patterson, as was only right and proper, informed his colleagues on the commission that he would not be able to take an active part in the work of the commission until he had received further instructions from Ottawa. He has continued to attend the meetings of the commission, nevertheless.

Doctor Patterson has presented the views of the government on the commission faithfully and well under difficult circumstances. His experience and knowledge of the Far East have enabled him to give us sound and helpful reports on the background of developments in Korea.

The government has decided that it will not be necessary to recall Doctor Patterson for consultation, because he has been able to send us a very full account of what happened. Instructions have been sent to Doctor Patterson authorizing him to continue to serve with the commission, because the commission conceives its duties to be to observe, consult and advise Koreans and the United States military government authorities regarding the conduct of these elections; but the responsibility for running the elections rests with the United States military government authorities and any action towards the establishment of a government in Korea following the elections will not be on the strength of the resolution of the general assembly but on the legal position of the occupying military authorities. Further, the chairman of the Korean commission has drawn attention to the fact that the commission has the authority to withdraw at any time if it is not satisfied that it can perform a useful function in remaining in Korea to observe the manner in which the elections are to be held.

Mr. GRAYDON: Do I take it from the minister's statement that the elections will be held under the auspices of the United States occupying forces rather than under any organ of the united nations? Is that the point?

Mr. ST. LAURENT: The proclamation fixing the date for the elections and the legal basis on which the elections are being held are the acts of the military authorities and not as we first understood, namely, that an attempt would be made to have it appear that they were being held under authority derived from the resolution of the general assembly which provided for an election for the whole of Korea and not for only one part thereof.

INVESTMENT AND CONSTRUCTION

PRIVATE AND PUBLIC INVESTMENT—PRODUCTION OF BASIC AND BUILDING MATERIALS—OUTLOOK FOR 1948

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I desire to lay on the table two documents. The first is entitled "Private and Public Investment in Canada, Outlook 1948", and the second deals with "Production of Basic and Building Materials in Canada, Outlook 1948". They were prepared by the economic research branch of my department. The French text of these two papers will be available as soon as the translation and printing are completed.

The first paper is a forecast of the likely volume of investment based on returns from some 13,000 business establishments and institutions and information supplied by governments, federal, provincial and municipal. The outstanding feature of the report is the fact that it indicates for 1948 a capital program of $2·8 billion, the highest in Canada's history. If realized, this will be about 17 per cent in excess of the $2·4 billion spent in 1947, although somewhat less than 5 per cent more in volume. The program involves an anticipated $1·6 billion on new construction and $1·2 billion on new machinery and equipment, representing increases of 21 and 12 per cent respectively over 1947 levels.

The second paper, based on production plans of Canadian business, indicates that output of

eight out of nine basic materials is expected to be maintained during 1948 at the high levels achieved in last year, while in the ninth, coal, an increase in volume of 15 per cent is anticipated. Production of thirty types of building materials show further improvements for 1948, with increases of over 20 per cent indicated for bathtubs, steel pipe and fittings, gypsum plaster, gypsum lathe, rock wool batts and construction tile. Smaller increases are expected for all other items except for two, where decreases are anticipated.

Mr. LOCKHART: Are they unit increases or just value increases?

Mr. HOWE: Unit increases.

SENATE BILLS

FIRST READING

Bill No. 149 to amend the Animal Contagious Diseases Act.—Mr. Gardiner.

Bill No. 150 to incorporate the Canadian Veterinary Medical Association.—Mr. Charlton.

Bill No. 151 to incorporate The National Insurance Company.—Mr. Maybank.

Bill No. 152 for the relief of Rose Landes Clopoff.—Mr. Maybank.

Bill No. 153 for the relief of Micheline Desautels Dooney.—Mr. Maybank.

Bill No. 154 for the relief of William Roydon Slator.—Mr. Maybank.

Bill No. 155 for the relief of Marie Eva Thibodeau Buelow.—Mr. Maybank.

Bill No. 156 for the relief of Margaret Sleno Staines.—Mr. Maybank.

Bill No. 157 for the relief of Jean Hume Munro Auburn.—Mr. Maybank.

Bill No. 158 for the relief of Gillies Henault. —Mr. Maybank.

Bill No. 159 for the relief of Edward Gordon Jakeman.—Mr. Maybank.

Bill No. 160 for the relief of Kathleen McKeown Stevenson.—Mr. Maybank.

Bill No. 161 for the relief of Alice Mary Gallant Currie.—Mr. Maybank.

Bill No. 162 for the relief of Muriel Frances Marks Buchanan.—Mr. Maybank.

Bill No. 163 for the relief of Leona Selma Cutway Hall.—Mr. Maybank.

Bill No. 164 for the relief of Avery Patricia Gill Reinhold.—Mr. Maybank.

Bill No. 165 for the relief of Poppy Catherine Hayakawa Smith.—Mr. Maybank.

Bill No. 166 for the relief of Dolores Margaret Paul Warner.—Mr. Maybank.

Bill No. 167 for the relief of Norma Bernstein Levee.—Mr. Maybank.

Bill No. 168 for the relief of Eileen Sophie McNamara Sepchuk.—Mr. Maybank.

[Mr. Howe.]

Bill No. 169 for the relief of Mary Rowan Young Conway.—Mr. Maybank.

Bill No. 170 for the relief of Ethel Margaret Tweddel Cartmel.—Mr. Maybank.

DOMINION ELECTIONS ACT

PROVISION FOR INCREASE IN SALARY OF CHIEF ELECTORAL OFFICER

Hon. COLIN GIBSON (Secretary of State) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Dominion Elections Act, 1938, to make provision *inter alia* for an increase of salary to the chief electoral officer.

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

Motion agreed to.

EXTERNAL AFFAIRS

CANADIAN POSITION WITH RESPECT TO PALESTINE PARTITION

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): In view of the statement by the United States with respect to the partitioning of Palestine, can the Secretary of State for External Affairs inform the house what attitude Canada is taking under the changed circumstances? The minister may not be prepared to make a statement today, but I think it should be made as soon as possible.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): All I can say is that with the advisers of the department I have been giving very careful consideration to the developments which have taken place. I have prepared recommendations to be submitted to my colleagues, but until they have been considered by them there is nothing more I could state to the house as a decision.

RETURN OF TRIESTE TO ITALY

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I take it the government has been made officially aware of the joint announcement of declaration by the United States, Great Britain and France proposing to the Soviet Union that the free territory of Trieste be returned to Italy. If so, is it the intention of the government to support the objectives set out in this declaration?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The government has been informed that on Saturday the governments of the United States, the United Kingdom and France issued a statement the first part of which said:

> The governments of the United States, the United Kingdom and France have proposed to the governments of the Soviet Union and Italy that those governments join in an additional protocol to the treaty of peace with Italy which would place the free territory of Trieste once more under Italian sovereignty.

This has been communicated to us, and so far the Canadian government has made no comment.

FLAXSEED

QUESTION AS TO ANNOUNCEMENT OF PRICE FOR 1948

On the orders of the day:

Mr. J. A. ROSS (Souris): In reply to my question on March 9 of this year, at page 2006 of *Hansard*, the Minister of Trade and Commerce said:

> I think I can promise that a price for flax will be set at least as soon as the house authorizes the government to pay the participation certificates on the present wheat contract.

Will the minister now say what is to be the price of flaxseed for the 1948 crop? The farmers are becoming anxious.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I shall endeavour to announce it tomorrow.

SOCIAL SECURITY

OLD AGE PENSION PLAN AND NATIONAL HEALTH INSURANCE

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): In view of further press reports concerning a contributory old age pension plan and national health insurance, will the government consider laying its tentative proposals either before the house in the form of a white paper or before a committee of the house, so that action in connection with these and other items in an over-all security program might be expedited?

Hon. PAUL MARTIN (Minister of National Health and Welfare): The hon. gentleman asked me a question some weeks ago which, though not entirely the same, was the same in part. I have nothing further to add to what I said at that time.

Mr. KNOWLES: That is still nothing.

REQUEST FOR STATEMENT OF GOVERNMENT POLICY ON OLD AGE PENSIONS

On the orders of the day:

Mr. J. O. PROBE (Regina City): I should like to direct the following question to the Minister of National Health and Welfare. Does the federal government accept the principle that it is now responsible for one hundred per cent payment of all old age pensions at the age of seventy, based on a means test; or does it adhere to the principle that it will pay seventy-five per cent of old age pensions authorized in each province by that province—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. PROBE: —or has it a policy of a base pension—

Mr. SPEAKER: Order.

Mr. PROBE: —to which it contributes a fixed proportion—

Mr. SPEAKER: Order. I would call the attention of hon. members to the fact that there is a rule providing that when the Speaker rises the hon. member who has the floor should resume his seat. The excuse of hon. members is that they do not hear the Speaker. If they would follow another rule, which states that an hon. member should address himself to the Chair, they would see and hear the Speaker when he rises. In this case I believe the hon. gentleman should observe the rule which says that when a question is lengthy it should be placed on the order paper.

COMBINES ACT

INQUIRY AS TO PROSECUTION OF DENTAL FIRMS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Justice in connection with the withdrawal from the jury on Thursday last of the charges against eighteen dental firms in connection with restraint of trade proceedings under the Combines Act. The question is, who was responsible for the failure of the crown to prove obvious, necessary and salient facts to such an extent that the judge said there was no case to go to the jury?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, I regard the hon. gentleman's question as quite improperly expressed. I regard it as making a statement to the house of what he alleges to be facts but what I do not admit to be facts. I will give an answer to his question tomorrow, but I will take the opportunity to restate his question.

Mr. DIEFENBAKER: It is a costly debacle.

Mr. COLDWELL: I should like to ask a supplementary question. Is this decision appealable? If so, is the government going to appeal it?

Mr. ILSLEY: I have not had an opportunity to go into the matter of deciding whether it will be appealed or not. But I was informally given to understand that it is appealable.

INQUIRIES FOR RETURNS

ACQUISITION OF GUARANTEED SECURITIES—INVESTMENT OF CANADIAN FUNDS FROM SALE OF U.S. DOLLARS

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I wish to make a further appeal to the Minister of Finance following one or two I previously made to get an answer to a question I asked some weeks ago. It was passed as an order for return on February 11. I asked the minister for his assistance, which he said he would give. The question has to do with investments by the Bank of Canada. I am beginning to wonder—and I do not suggest that the Minister of Finance has anything to do with it—that the answer is being withheld.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I think that is an unfair inference for my hon. friend to draw. I made inquiries immediately after his question the other day, and was told that the information would be ready within a few days. This involves a return from different departments, and does not involve only the Bank of Canada. This matter has to do with the investment of all government funds. I hope it will be ready today or tomorrow. I thought it would be ready today. This question has considerable detail in it and will be put in just as soon as the information is available to the department of the Under-Secretary of State.

GRANTS TO PROVINCES FOR EDUCATIONAL PURPOSES

On the orders of the day:

Mr. RONALD MOORE (Churchill): Mr. Speaker, I should like to ask a question of the Secretary of State. Some time ago I asked a question on the order paper as to what grants had been allotted by the government for educational purposes to the provincial governments, other than Manitoba. This question was passed as an order for return on February 25. Can the minister say when I might expect an answer?

[Mr. Ilsley.]

Hon. COLIN GIBSON (Secretary of State): Mr. Speaker, I cannot say when the answer will be ready. I shall make inquiries and let the hon. member know when it will be available.

RAIN MAKING

EXPERIMENTS CONDUCTED BY BRANCH OF GOVERNMENT

On the orders of the day:

Mr. MAX CAMPBELL (The Battlefords): I should like to ask a question of the Minister of Reconstruction and Supply. Is the national research council or the meteorological service conducting experiments in rain making, and if so, will the minister keep the house informed as to results obtained?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): The national research council has been conducting laboratory tests in the use of dry ice for rain making, if one wishes to call it that, for a considerable length of time. It is the intention during the next summer season to conduct aerial tests on a large scale.

Mr. MANROSS: I wonder if the minister would consider experimenting somewhere other than western Ontario.

RAILWAYS

REFRIGERATOR CARS FOR POTATO SHIPMENTS FROM PRINCE EDWARD ISLAND

On the orders of the day:

Mr. W. CHESTER S. McLURE (Queens): I should like to ask a very important question of the Minister of Transport. Has the minister received information by letters and telegrams from shippers and farmers with respect to the great shortage of refrigerator cars for potato shipments from Prince Edward Island?

Hon. LIONEL CHEVRIER (Minister of Transport): I do not know that there is any urgency in the question the hon. member has put. I have no recollection of having received information to that effect. But I will tell him that less than a week ago I made a statement in the house that there were more than 250 reefer cars on Prince Edward Island at that time. The position today is that there are approximately a thousand cars more shipped than were shipped out of Prince Edward Island at the same time last year.

Mr. McLURE: I have this supplementary question. I hold in my hand a copy of two letters—

Mr. HOWE: That is not a question.

Mr. McLURE: —addressed to the Minister of Transport. If he has not the information they could be put on the record.

RADIO BROADCASTING

INTERFERENCE BY ELECTROTHERAPEUTIC EQUIPMENT

On the orders of the day:

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, on Thursday last the hon. member for Winnipeg North Centre (Mr. Knowles) asked a question with respect to the regulations concerning radio interference by electrotherapeutic equipment.

The answer to the first part of the question is, yes. Consideration has been given to the request of the Canadian hospital council. The answer to the second part of the question is that the regulations in question were passed by order in council on January 22, 1941, to be effective on February 8, 1941. The application of these, in so far as electrotherapeutic equipment is concerned, was postponed nearly seven years to January 1, 1948, owing to a shortage of supply of material and equipment. The question of a further postponement has now undoubtedly been raised by reason of action in the United States where a five-year period of grace has been given. It will be noted that the similar period of grace in Canada has been seven years. There is an outstanding difference, however, in the interference caused by this equipment in the two countries. In the United States a large part of transmitting equipment is very high powered and is not affected to as great an extent as in Canada, where the greater part is of a much lower power.

Interference by the operation of this equipment is a serious matter in radio communications in Canada unless adequate means are employed to control the radiation. Safety radio services, such as aids to air and marine navigation, police and fire department radio, are frequently blotted out by radiation from diathermy machines at distances of hundreds of miles. A further period of grace in this matter of suppressing this type of interference would delay the proper development of these and other high frequency services.

While it is proposed therefore to enforce the regulations effective January 1, 1948, I would point out that the inspectors of the radio branch of the Department of Transport have done nothing to disrupt existing operations where interference is not being encountered. However, where interference is found, operators of this type of equipment will be required to install the necessary shielding if the equipment is to continue to be operated.

Mr. ROSS (St. Paul's): Has the report the minister has just made anything to do with the difference in cycles between Ontario and other parts of Canada? The minister shakes his head. I should like to know whether he says yes or no.

Mr. HOWE: The answer is no.

Mr. ROSS (St. Paul's): Then I have another question. Why is it that we find a different situation in the United States from that which we have in Canada?

Mr. HOWE: I gave that information in the statement I have just given. If the hon. member will consult *Hansard* he will find that the question is fully answered.

[*Later:*]

Mr. J. H. HARRIS (Danforth): I should like to put a question to the minister who a moment ago answered an inquiry with regard to radio, but I do not know just how to address him. I might call him the minister in toto, or the Minister of Trade and Commerce or of everything.

Mr. HOWE: Is this a question, Mr. Speaker?

Mr. HARRIS (Danforth): With regard to members of the medical fraternity in small towns who are operating electrotherapeutic machines which are causing radio interference, will the minister give them time to replace the machines which are banned by this order? Most of these machines come from the United States, and there is quite a shortage of them at the present time. To issue an ultimatum against their use because of radio interference would put many practitioners throughout Canada out of business.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Full consideration has been given to the situation, and I am told that no action is being taken which will interfere with the work of hospitals provided that the management of the hospitals give full consideration to the requirements of the department.

Mr. HARRIS (Danforth): I was not referring to hospitals but to individual operators in clinics in small country towns throughout Canada.

UNITED NATIONS

NATIONAL COMMISSION IN RELATION TO UNESCO

On the orders of the day:

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, on the 19th instant the hon. member for Eglinton (Mr. Fleming) asked the following question:

When does the government intend to appoint and set up the national commission in relation to the united nations educational, scientific and cultural organization under the legislation that was passed two years ago?

May I point out that there is no specific reference to the establishment of a commission in the legislation that was passed approving the constitution of the educational, scientific and cultural organization. But there is in that constitution a clause as follows:

Each member state shall make such arrangements as suit its particular conditions for the purpose of associating its principal bodies interested in educational, scientific and cultural matters with the work of the organization, preferably by the formation of a national commission broadly representative of the government and such bodies.

It will be noted from this paragraph that the establishment of a national commission is not mandatory in any way. Unfortunately, for quite a considerable time now there have been problems which, without in any way detracting from the importance of UNESCO, have appeared to the department to be entitled to priority, and have prevented full consideration being given to the appointment of this commission. In the meantime the department is providing the channel of communication between UNESCO and the various educational, scientific and cultural bodies co-operating with the government and with organizations in this country.

Mr. COLDWELL: Can the minister say when we are likely to get a report on the consideration being given to the matter?

Mr. ST. LAURENT: I should like to be able to say that it would be very soon. I hope there will not always be problems which appear to be of greater immediate urgency than the formation of this commission. I hope it will not always be so. I am not in position to say to the hon. member how soon it will be possible to divert our attention from these other more immediately urgent problems.

Mr. FLEMING: Would the minister be good enough to make one or two points clear?

[Mr. Harris (Danforth).]

It is not quite clear from his answer whether the government has decided to set up or not to set up at some time or other the commission.

Mr. ST. LAURENT: The government has not decided not to set up or to set up at some time or other the commission.

Mr. ROSS (St. Paul's): Apropos of what has just been said by the minister of external affairs, I should like to ask if the government has decided to be undecided.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house in committee of ways and means, Mr. Golding in the chair.

1. Effective on and after November 18, 1947, an excise tax of 25 per cent is imposed on the following goods:

(a) The following electrical appliances: waffle irons; roasters; kettles; chafing dishes; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs, hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; garbage disposal units;

(b) The following electrical appliances when adapted to household use: food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;

(c) Electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs;

(d) Firearms except for military or police purposes;

(e) Outboard motors;

(f) Motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles specially designed for carrying goods or for use by invalids;

(g) Projectors for slides, films or pictures designed for industrial or professional photographers' use;

(h) Toilet articles of all kinds (including combs, mirrors and brushes other than tooth brushes or shaving brushes the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than twenty-five cents each) and which items do not already come within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on $1,200 plus

50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

Mr. MACDONNELL (Muskoka-Ontario): I want to be quite clear as to what we are talking about. My understanding is that the amendment moved on February 23 merely changes the articles to which clause 1 of the resolution applies.

Hon. DOUGLAS ABBOTT (Minister of Finance): That is correct.

Mr. MACDONNELL (Muskoka-Ontario): I have no objection to that.

Mr. ABBOTT: The amendment has the effect of removing from the resolution as originally tabled certain articles and rearranging the lettering of the various subheadings.

Mr. MACDONNELL (Muskoka-Ontario): Its effect is to take out certain taxable articles?

Mr. ABBOTT: That is it precisely.

Amendment agreed to.

Mr. ABBOTT: The hon. member for Muskoka-Ontario asked me to get some additional information as to the sale of articles which are subject either to the new tax or to additional taxation, and suggested that I might be able to give that to him when we were in committee on the bill. I had hoped that I would have that information today, but the deputy minister of customs and excise expects to have some information tomorrow. The committee will appreciate that the departmental records do not indicate sales in a particular month; they indicate revenue collections in a particular month only. Over a long period of time no doubt they would be an accurate reflection of sales but over a short period of time they might be quite misleading because there would be arrears of taxes coming in which might go back as far as two or three months. As a result of inquiries of the manufacturers themselves who pay these taxes we hope to have tomorrow up-to-date data as to sales. This has necessitated going to the manufacturers and asking for sales reports. There are comparatively few of them so they are obtainable. I should say that this relates particularly to the two large items of automobiles and radios. In the case of the smaller items like miscellaneous electrical equipment it will not be practicable to get sales figures.

Mr. McKAY: Has the minister any further statement to make with regard to lifting the excise tax on gas refrigerators?

Mr. ABBOTT: There is no excise tax on kerosene refrigerators, although there may be on gas refrigerators. We have been giving consideration to establishing a quota under the other bill for the importation of kerosene refrigerators which are not made in this country. I have not given consideration as yet to removing the tax on gas refrigerators. There is no tax imposed on the Servel kerosene type of refrigerator.

Mr. McKAY: Has consideration been given to lifting the quota?

Mr. ABBOTT: That is under active consideration now, but I am not in position to make a statement about it.

Mr. COLDWELL: I am glad to know that this is under consideration. Many people in rural districts have been wanting to get these for many years. Rural people are entitled to some consideration, particularly when they are deprived of so many of the modern conveniences enjoyed in the cities.

Mr. ABBOTT: I have written a number of letters to my hon. friend, to other hon. members and to the public, stating that consideration is being given to the matter, but I am not yet in position to state what quota if any we can establish.

Mr. ROSS (Souris): Is the 25 per cent excise tax on refrigerators applicable to those purchased by community hospitals?

Mr. ABBOTT: The excise tax is applicable to refrigerators adapted to household use. Perhaps I had better just check on that. If the refrigerator was the type purchased by an institution it would not be subject to the tax which is imposed solely on the type of refrigerator adapted for household use. I should think that in many of these hospitals they would buy the commercial type of refrigerator.

Mr. ROSS (Souris): I have had correspondence with distributors throughout Manitoba, and I will cite one case, that of a new hospital built by the community which purchased one of these refrigerators for its kitchen, and the wholesaler allowed a deduction of both the excise and the sales tax because it was for use in a hospital. The hospital decided it wanted another refrigerator for another floor to take care of its food, but in this case the wholesaler told them that the tax could be deducted only where the article was sold to a government-owned institution. This hospital is run in co-operation with the Manitoba government.

Mr. ABBOTT: Provincial governments are not taxed under this measure. If my hon. friend will give me the facts I shall be glad to look into this particular case.

Mr. ROSS (Souris): I shall be glad to send them to the minister, because there does seem to be a misunderstanding.

Mr. ABBOTT: I shall look into it.

Mr. TIMMINS: Why are toilet articles costing more than twenty-five cents taken out of the schedule?

Mr. ABBOTT: It is the other way round; toilet articles costing more than twenty-five cents are left in and are subject to tax. The exclusion was for this reason. It was found that the imposition of the tax on lower priced articles, particularly brushes and combs, created a completely distorted price range. It threw the thing out of line. The manufacturers and distributors of that type of article convinced me and my officials that the tax would create a completely distorted price picture. What we were attempting to get at was the higher priced fancy articles sold as gifts.

Mr. MANROSS: The minister's explanation seems hardly consistent. He objects to putting a 25 per cent tax on an article that sells for twenty-five cents, yet he put a tax of 40 per cent on something that sold for a nickel.

Mr. ABBOTT: Soft drinks?

Mr. MANROSS: Right.

Mr. TIMMINS: The minister says that this tax was imposed for a number of reasons, and I should like to repeat the reasons he has given. First, he says the tax was not put on for taxation revenue primarily, but if there were some tax revenue, that would be welcome. Secondly, in an article in *New Liberty* a while ago he said that this tax, along with other taxes, was to plug a leak, the leak being, I suppose, the United States funds disappearing from our hands. Next he said it was to induce people to postpone buying; in other words to restrict buying. At another time he said it was to discourage imports from the United States, and finally he said it was to withdraw purchasing power.

Turning now to toilet articles which cost more than 25 cents, dresser ware, and so forth, the minister knows there has grown up in this country over a period of forty years a plastics industry. Some firms do nothing but manufacture and sell plastics, marketing them not only in Canada but in South Africa, India and other parts of the world. For the life of me I cannot see how any one of the explanations for this tax given by the minister in any way helps our economy, whereas the tax most certainly bludgeons this particular industry out of existence. The industry uses probably only eleven per cent of United States content. Most of its component parts are obtained in Canada. That was not so a few years ago, but it is so now. The chemicals, bristles, and so forth, that go into the manufacture of these articles are made in Canada. I ask the minister if eleven per cent of United States content is of sufficient importance to murder this industry which has been functioning in Canada for forty years. The minister has already learned from one or two of these firms how serious the situation is.

On the other hand, under the exchange conservation bill, the Minister of Trade and Commerce has the say as to what goods may be imported and what United States content they may have, and his idea may be entirely different from that of the finance minister Surely trade and commerce is the lifeblood of this country. I suggest to the minister that this is not the proper way of handling our business.

One more thing. The minister suggested that this was a temporary measure. I suppose therefore it was drawn up in a hurry. Yet the fact of the matter is that the very day after the tax was announced on the evening of November 17, the tax officials throughout the country were on November 18 making inspections and visitations in respect of this tax. That is what I call snooping; it is the gestapo method. I would like the minister to explain why these things go on when business is the lifeblood of our country.

To come back to my question, does the minister think that a United States content of eleven per cent is of sufficient importance to justify his putting this industry out of business?

Mr. ABBOTT: I gave a good deal of consideration to the brush industry, and I do not believe that the imposition of this tax is

going to put them out of business by any means. Their volume will probably be reduced. I would hope that it will be reduced, because that is the purpose of the tax, but from the information I have, it is not going to ruin the business, as my hon. friend has suggested. It is true that eleven per cent is not particularly high; still it is an appreciable United States content. There is this other point, that we are trying to effect not too drastic but a certain reduction in consumption in Canada all along the line, particularly of less essential articles. One cannot reduce the consumption of food and essential clothing, but if we are to continue to play our part and export partly on credit we must create again what we had up to a little over a year ago, a surplus of production over consumption.

Mr. TIMMINS: What difference does it make whether the toilet articles are made out of plastics or ebony or some other wood? Surely one particular group should not be singled out.

Mr. ABBOTT: Rightly or wrongly the toilet articles group has been singled out since 1933 for this type of tax. In wartime that was considerably expanded and that continues. Personally I look forward to the day when we can get rid of this type of tax. It is not the type of tax that I personally like to keep permanently in the tax structure. I would prefer a simpler structure but under conditions like the present, when we are attempting to use the fiscal weapon as a means of restricting consumption this is a line in which it can be legitimately employed.

Mr. TIMMINS: As I understand, toothbrushes have been taken out completely.

Mr. ABBOTT: Right at the outset. It is a very low priced article.

Mr. TIMMINS: What is the difference between toothbrushes and hairbrushes so far as one's ordinary personal necessities are concerned? Why should toothbrushes go free and not hairbrushes? The minister needs a hairbrush and so do I. Fortunately we still have some hair. Why differentiate? Here is a man making toothbrushes, and another making hairbrushes. Some firms make toothbrushes and hardly anything else, while some other firms make hairbrushes. Why should there be a discrimination?

Mr. ABBOTT: One facetious answer might be, I suppose, that a good many more people have teeth than hair. At any rate, toothbrushes were eliminated in the first place because they are in the low-price bracket. They are a real necessity, and therefore they were eliminated at the very outset. When I discussed the question with the industry it was pointed out how difficult it would be from the standpoint of low-priced brushes and toilet articles, and we took toothbrushes out. The hairbrush comes close to being a necessity for most people, but on the other hand, in that field, the price range is so great, and there are so many fancy sets, silver-backed brushes and so on, that this was considered a fit subject for a temporary tax of this kind.

Mr. TIMMINS: Now that the minister is in this price range, would he consider two or three articles selling for $16 as articles commanding a high price and deserving a tax of this kind? Would such articles not come within the low range?

Mr. ABBOTT: Sixteen dollars? I would not pay so much for a hairbrush.

Mr. TIMMINS: I mean a set.

Mr. ABBOTT: I suppose people could buy hairbrushes individually.

Mr. TIMMINS: Why should the minister want to interfere in business to that extent? We are getting down to pretty fine points when the government can interfere in business to that extent.

Mr. ABBOTT: I honestly do not think the matter is so serious. I do not know about other members but I have not bought a hairbrush for years. I had a set given me by my wife a good many years ago, with initials on them, and I have not had to buy hairbrushes for years. I am inclined to think the supply is good and that people could hold off for a while. On the other hand, one has to buy combs more often. They are fragile.

Mr. TIMMINS: I am serious about this because, after all, when one comes to an industry which is at the point of life and death, the matter is quite serious. It is more serious than the minister makes out, whether the industry should or should not be taxed when it does not come within any of the five categories which the minister has set out from time to time as comprising the things which should be taxed for the purpose of saving United States dollars. I cannot see why a tax should be put on these things. After all, our own industry comes first. If we have firms that have been in business for forty years, building themselves up, their position should be considered. Anyone who knows anything about plastics knows that the industry hardly existed at the time of the first war, but it has grown little by little and we are shipping to

other parts of the world. We ought to give serious consideration to taking goods of this kind out of the purview of the act. I repeat, our own industry comes first and when it ceases to do so we have made a mockery of ourselves in this sort of legislation.

Mr. ZAPLITNY: The other day, replying to a question, the Minister of Finance said that the reason certain household articles such as refrigerators were taxable while similar articles for industrial or business use were not—

Mr. ABBOTT: Industrial or commercial production.

Mr. ZAPLITNY: Those which enter into production or the making of one's living, I understand, are in general exempt. I understood that to be the answer.

Mr. ABBOTT: Not necessarily in all cases. That is the general principle followed.

Mr. ZAPLITNY: It is a principle that might be extended to other articles. There are two items mentioned here, firearms and outboard motors, which in a large number of cases in the northern parts of Canada are used in the production of goods or as a means of making a living. There are occupations such as trapping, prospecting, fishing and so on in connection with which these articles are purchased, and they are bought not as luxuries or for sporting purposes but for the purpose of enabling the purchaser to make a living. In such cases would the minister consider exempting them?

Mr. ABBOTT: We gave careful consideration to those two items, because in northern Canada the outboard motor is a part of the trapper's equipment, and the same applies to a lesser degree to firearms. However, we came to the conclusion that it would not be practicable to do that because the tax is put on at the wholesale level. Those two articles go out through jobbers, as do others, and administratively it would have been almost impossible to handle them. One would have had to have individual applications and it would not have been possible. On balance we came to the conclusion that the outboard motor, even when used for that purpose, would have to be subject to the tax.

Mr. ZAPLITNY: If that applies to these two items, does it not also apply to the articles mentioned in the previous paragraph, that is to say gas refrigerators? If the tax applies at the wholesale level or the manufacturer's level in the cases that have been referred to, I suggest that it applies in the same way all the way through. I do not see how you apply that in one case and not in another.

Mr. ABBOTT: I am told that that type of refrigerator is a clearly identifiable type of product made for trade purposes and not for household use.

Mr. ZAPLITNY: It goes into a great deal of detail. If what the minister says is true for that type of equipment it should be true for the other, and there should be some way of making an arrangement whereby people who buy these articles for purposes of production or as a means of making a living should be relieved of the tax. Administratively it would not be impossible. It might be slightly inconvenient but when you consider the inconvenience to which the public is put at the present time, I suggest that the government should share a little of it.

Mr. ABBOTT: The matter was given careful consideration and it was felt not to be practicable. The reasoning my hon. friend puts forward would apply with force to the low-priced automobile, which is used in a great many cases by doctors and others for professional purposes.

Mr. ZAPLITNY: Going further down the list we find certain photographic supplies, slides, films, projectors and so on designed for industrial or professional photographer's use. There is another example where that type of equipment may be necessary for a person to make his livelihood and there is a possibility of creating a distinction between that which goes into professional use or industrial use and that which may be bought for sporting purposes. Sporting cameras and the cameras used by the public generally are different from those used by photographers in their trade.

Mr. ABBOTT: One of the principal reasons in this case for including these items is the fact that they have an exceedingly high import content, and we are anxious to discourage such imports as much as possible; and yet you cannot put under licence or quota the import of that sort of thing. It was not felt practicable to do it.

Mr. ROBINSON (Bruce): A small industry in Port Elgin known as Keystone, but which we consider one of our large industries, will be hit heavily by this measure. Will the minister keep in mind the fact that a great number of people depend on that industry in Port Elgin for their livelihood? At various times there is talk in the house about decentralization. Here is an excellent opportunity

to practise decentralization in concrete form, by keeping such an industry as this functioning.

Its products consist mostly of brushes. I called it a small industry but I am probably wrong, because at one time it was recognized as one of the largest industries in the British commonwealth of nations. I understand that briefs have been presented to the minister which describe the situation better than I am able to do. This company manufactures low-priced as well as high-priced articles. Would it not be wise for the minister to consider raising the ante and getting it up a little higher? If you go out and buy a shaving brush, you do not get it in the 25 cent list. You might get for a dollar a shaving brush that would give you some satisfaction. The list of articles covered by this 25 per cent excise tax is such that it will hit the chap in the lower income brackets. If we could raise the ante a little it would not hit him as heavily. Another thing I should like to point out is that all the articles this concern produces are essential for health purposes. Once more I would ask the minister to consider raising the ante up from 25 cents to whatever he thinks would be worthy of consideration.

Mr. FRASER: I want to follow up what was said by the hon. member for Dauphin regarding outboard motors. These should be free of excise tax to those who will use them for professional purposes, such as guides, trappers and resort hotel owners. I am especially interested in this matter because of the fact that in my riding the outboard motors for the whole of Canada are made.

Mr. ABBOTT: Very fine motors too.

Mr. FRASER: Yes, they are fine motors.

Mr. ABBOTT: I have one.

Mr. FRASER: I am afraid that what will happen is that a United States tourist coming into Canada will bring his motor over here instead of buying it in Canada; and in many cases he will never take that motor back to the United States but will leave it here. I do not think the government has any way at all of checking on whether he leaves it here or not. I know that last year a United States citizen who had one of the best outboard engines in the world—it cost him over $340—lost it in one of the northern lakes in twenty-five feet of water. This year he is coming over with a motor to replace it. In October of last year there were imported into Canada from the United States over 2,000 outboard motors on which no tax will be paid. How many were brought in in November I do not know. I understand that in 1946 the total import was only about 900. Those outboard motors were brought in last year in an off season. These taxes—you might call them austerity program taxes or luxury taxes—are hindering business. We have another firm in Peterborough who are the largest manufacturers of clocks and watches in the British empire. At the present time they are turning out over 6,900 complete units per day. Those articles are subject to a 25 per cent tax—not under this resolution, but it is a tax that is hindering business. It is hindering the export business the same as this tax on outboard motors is hindering our export trade.

Mr. ABBOTT: The tax on clocks and watches, of course, is not proposed under this resolution.

Mr. FRASER: No. I mentioned that it does not come under this resolution; but it is hindering export trade the same as this tax is hindering the export trade of outboard motors today and will continue to do so. I am afraid that it will also have an adverse effect on labour. In fact it has had that effect already; lay-offs have taken place in these various firms. Consideration should be given to the suggestion of the hon. member for Dauphin that guides, resort owners and others who want outboard motors for professional use should be given them without taxes. All these motors are sold with a guarantee, the same as electrical appliances are sold. Every dealer has the name of the purchaser, and it would be a simple matter to have the dealer return the tax to him.

Mr. TIMMINS: At page 2043 of *Hansard* the minister is reported as stating that our United States dollar position had improved until at that particular time there was a reserve of approximately $527 million. Does that improvement reflect any repayment of loans that Canada had made or the repayment of any gold or anything of the kind?

Mr. ABBOTT: None whatever. It is strictly on current account.

Mr. TIMMINS: I should like to go back to this matter of dresserware. In his radio speech on November 17 the minister referred to a temporary restrictive program. I should like to read that paragraph, which is as follows:

> This means that we must develop a temporary restrictive program to meet the immediate emergency. This short-run emergency program consisting of measures designed to restrict our use of United States dollars includes sweeping restrictions on imports and on pleasure travel and the imposition of special excise taxes for the

purpose of restricting the purchase of many of the durable kinds of consumer goods which are either imported or contain a significant import content.

The minister made it quite clear that this was temporary. The immediate effect of his saying that it was temporary was that, the next day and the day after, people who had given orders for dresserware immediately returned their goods to the manufacturer or wrote to the manufacturer cancelling their orders. That happened to a great number of people in the brush industry and in the dresserware industry. Still the measure is temporary. What is happening now is this. These goods have probably a seasonal sale. Orders are taken during the year and some time in the fall delivery is made. This year orders are not being placed. In other words it may be the minister's wish that there shall not be any sale of these goods, that there shall not be any manufacturing of these goods, and that there shall not be any money made in this industry but that some other industry shall get the benefit of that business. The fact of the matter is that because the minister says this is of a temporary nature this industry is stifled. I would like the minister to tell the house just how temporary this measure is and, further, just what is the explanation of the words "significant import content." Does that mean five per cent, ten per cent or what?

Mr. ABBOTT: As to the time question, Mr. Chairman, I cannot assume the role of a prophet in this matter. This phase of our dollar conservation program will be gotten rid of just as quickly as we can, consistent with the restoration of our reserves to what we believe is a safe level. As to the use of the word "significant", I have already dealt with the various reasons which prompted the use of this fiscal weapon. The United States content was one of those reasons. Perhaps I did not stress some of the others as much as I should have in my radio speech, but on several occasions during the course of this debate in committee I have emphasized the necessity of reducing the consumption even of articles which had almost no United States content.

Mr. TIMMINS: Then may I stop the minister there for a moment?

Mr. ABBOTT: Others may hold that this is wrong.

Mr. TIMMINS: What would be the benefit to Canada of putting a tax on an article which had almost no United States content?

Mr. ABBOTT: I must repeat that one of the objects of this program is to reduce

[Mr. Timmins.]

the over-all Canadian consumption of all articles to a point where we are again producing more than we are consuming. We were in that position in 1946, when total Canadian production was two or three hundred million dollars in excess of what we were consuming and importing. In 1947 we caught right up with it, however, and consumed and imported just about what we produced. In other words, in order to continue to export four or five hundred million dollars worth of goods abroad we had to live on our fat; we had to dig into our reserves. Now our reserves have reached the point where we cannot do that, and we have to create again an over-all current account surplus if we are to continue to export on credit.

Mr. TIMMINS: But can we afford to dissipate what we have in the way of production in order to bring about this over-all picture the minister speaks of?

Mr. ABBOTT: It is not a question of dissipating what we have in the way of production. What we must do is consume a little less ourselves in order that we may lend it or give it to others who need it. The United States is in the fortunate position of having a large over-all current account surplus which enables it to export substantial quantities of goods to other countries on credit. We had that surplus up to the end of 1946. We do not have it now, and that is because our people are using up domestic consumption and imported articles at a rate which just about balances our total production. We do not want to slow down very much, but we have to pull in our belts just a little bit and, as I have said before, live within our own means and within the means of our customers.

Mr. TIMMINS: Then will the minister consider dropping this excise tax before he drops the conservation measure?

Mr. ABBOTT: I think it would be very improper for me to say which of these measures we should take off first. For what it may be worth, though, I can indicate that I would think this is one of the measures I would want to get rid of first.

Mr. ROBINSON (Bruce): I am sure the minister would not want to carry his austerity program to such a point that he would have us stop buying brushes necessary for personal hygiene. Would he consider raising the price ranges so the tax would apply only to brushes costing more than a certain figure? This would permit people in the lower income brackets to continue to buy these brushes.

If the minister would not consider this point would he tell us his reasons for not considering it?

Mr. LOCKHART: I want to associate myself with the remarks of the hon. member for Bruce. This has been the subject of a very great deal of criticism on the part of the man who wants to buy an article selling for perhaps $1 or $1.25. They indicate that prices have gone up to a certain extent as it is, and when you add this tax you add very materially to the cost of standard articles which I think the minister will agree are necessities rather than the luxury items he is trying to suggest.

Mr. ABBOTT: Hon. members will realize that I have had exactly the same representations they have received, and from the same sources. I listened to them as sympathetically as I could and went into the matter very carefully. I came to the conclusion that this tax should continue; that it was not going to ruin these particular types of business, as has been suggested. I came to the conclusion that in the very low ranges, this five, ten and fifteen cent stuff, it was quite improper that there should be any tax because it was impracticable. But it must be remembered that there has always been a tax on these articles when sold in sets, and now the tax is simply being extended to the articles when they are sold individually as brush, comb and mirror. For years these articles have been taxed when sold in sets.

Mr. JACKMAN: I believe the government should still give consideration to this excise tax. It depends entirely upon whose business is being ruined, upon whose ox is being gored, as the old saying goes, as to whether or not the tax seems reasonable. I was interested to see the minister and the government switch over from the argument that this excise tax was put on because if this were not done it would give an advantage to our own manufacturers as against our former sources of supply, namely across the border. Apparently that did not take any too well with the Canadian public, so the minister developed the argument, I think somewhat late in the debate, that it was necessary for the Canadian people to tighten their belts in order to restore the over-all surplus position which we had some years ago but which we lost last year.

I cannot believe, Mr. Chairman, that the government is serious, that it is sincere, that it is not endeavouring really to fool the members of this committee when it says the excise tax is placed on this very limited number of articles for the sole reason of causing Canadian consumption to decrease.

Mr. ABBOTT: I never said that was the sole purpose. It is one of several purposes.

Mr. JACKMAN: That is quite right, Mr. Chairman; the minister did not ascribe it all to that one purpose alone. He pretty well switched over from one of the original reasons for the imposition of the excise tax, because he admitted that he did not need the money, but said the tax was put on to keep the Canadian market open to the American exporter who formerly supplied it. Later in his argument, however, he developed the theory that Canadians had to consume less in order to create once more this over-all export surplus. Does any member of this committee think that because the people have to pay greater prices for a very limited number of articles, as set forth in the resolution, they will not spend on certain other things the money which would have gone for these articles? Probably the range of articles still open to them would be as one hundred is to one; that is, one is made more difficult to purchase because of the excise tax but ninety-nine other articles may still be purchased with that money. So I cannot believe the minister is serious when he says one of the reasons for the excise tax is to have Canadians consume less and thus have more to export. If he were serious about this matter surely he would do something to curtail the sale of goods generally. One knows that in recent months there has been a tremendous increase in instalment selling. There has been borrowing against life insurance policies for the first time in a good many years. People generally are finding that times are not as easy for them in many ways, and they are now using credit. If the government is sincere about limiting purchases by our Canadian people —and I do not think it is as necessary as the minister makes it—then there certainly are means which are a hundred times more effective than the specious argument he brings forward to justify this excise tax.

Canada, fortunately, has a good many small businesses. Many of them are producing lines which are not set forth in the list of goods in the resolution now before us. As some of my colleagues mentioned a minute ago, some of these businesses are going to be hard hit. Surely there are ways and means of accomplishing the minister's objective without making it so difficult for some of our smaller industries, some of which are almost the whole support of the towns in which they have their factories.

Mr. MACDONNELL (Muskoka-Ontario): I wish to make one or two comments following what has been said by the hon. member for Rosedale. May I recall to the minister some of his remarks made earlier in the debate when he explained, as I recall it, reasons for making some of the changes made under section 1. He spoke of cases where he had found undue distress on businesses and where he thought there should be changes. One of the illustrations he gave was where the taxes were going to be used as a basis of calculation of duty by United States customs, and it was going to cut off Canadian export to the United States.

Coming back now more particularly to the distress cases, it seems to me we are still left with certain distress cases which have been dealt with and certain others which have not. I take it that as soon as this measure is passed this whole thing is crystallized and nothing more can be done. We will be left with those cases which have been brought up this afternoon, and no doubt others which have not been regarded as sufficiently distressful. I shall not labour the matter further; but with all deference, I say to the minister that although I know he cannot admit it, I really believe nothing but sinful pride, which I am sure all governments have, would prevent him from throwing the whole thing out the window.

I am sure this matter cannot be regarded as a saver of United States exchange. I doubt if the minister would say that. And when he comes to the other reason, the reason the hon. member for Rosedale has given, that of cutting down expenditures, while I accept that as a general argument, to apply it for all the articles selected for taxation in this measure seems largely to destroy the argument. I wish it were possible for the minister to leave this measure until he gets further evidence. I believe that whereas Bill No. 3 will produce certain results, this measure is just a frost and will produce nothing but trouble.

Mr. ABBOTT: We have considered all the cases in which real distress circumstances have been urged. I believe that businesses which might be seriously affected or practically put out of business have been taken care of. Perhaps the outstanding example is the piano business. It is not a large business in Canada, but for reasons which the committee will realize, a heavy tax like that would have serious effects. The other example was the small pleasure boats business. Those are the two outstanding cases.

In the bill which is to be founded on the resolution there is a provision that these taxes can be relaxed individually. It was felt that would be a desirable power to take in the bill, because of the reason for which the tax is being imposed. There should be that degree of flexibility. In other words the tax can be removed without waiting for a formal amendment to the act.

Mr. MACDONNELL (Muskoka-Ontario): That is both good and bad.

Mr. ROBINSON (Bruce): I asked a question which the minister did not answer, and which I shall have to ask again. From the point of view of health of those in lower income brackets, would the minister consider raising the exemption in the matter of prices on different articles? If he does not wish to, would he give the reason why?

Mr. ABBOTT: I do not think the health of anyone will suffer because of the imposition of this tax. Toothbrushes are exempt. Lower price combs and brushes are exempt. I do not know that anyone will be deterred from purchasing a nailbrush or any of these other brushes which he may require for health or hygienic reasons because of the imposition of the tax—at least, I would not think so. If I felt the health of the people of the country was going to suffer as a result of the tax, I do not believe I would put it on. But I do not believe their health will suffer.

Mr. TIMMINS: I wish to get back to that same point. There should be no tax on a comb up to twenty-five cents. Yet there may be a tax on a toothbrush which sells for fifty cents. That is quite apart from the hairbrush or the shaving brush which would sell for about $4. Why should there be a tax on these?

Mr. ABBOTT: Those things sell at five, ten or fifteen cents.

Mr. TIMMINS: Up to fifty cents.

Mr. ABBOTT: But this is under twenty-five cents. Representations were made to me by those who sold in gross lots. I have forgotten the details, because it was as least two months since they were here. But I listened to their representations and had those representations studied by officials of the department. I came to the conclusion that it was not commercially or practically sound to impose a 25 per cent tax on that type of goods—aside from soft drinks, of course—and that the minimum should start at twenty-five cents.

Mr. TIMMINS: But toothbrushes cost 50 cents.

Mr. ABBOTT: They are exempt altogether. They are not taxed at all.

Mr. KNOWLES: The question is on the first resolution as amended?

Mr. ABBOTT: Yes.

Mr. KNOWLES: Not all six at once—just the first one.

Mr. ABBOTT: Yes, the first one.

Mr. KNOWLES: Will you put the yeas and nays, please?

The DEPUTY CHAIRMAN: On the first?

Mr. KNOWLES: Will you put the yeas and nays, please?

Some hon. MEMBERS: Carried.

Mr. GRAYDON: You do not carry it as easily as that.

Mr. FRASER: Don't wait too long.

The DEPUTY CHAIRMAN: Order. The hon. member for Winnipeg North Centre has asked for the yeas and nays on the first resolution. All those in favour will say "yea".

Some hon. MEMBERS: Yea.

The DEPUTY CHAIRMAN: Those opposed will say "nay".

Some hon. MEMBERS: Nay.

Mr. ABBOTT: On division.

The DEPUTY CHAIRMAN: In my opinion the yeas have it.

Resolution negatived: Yeas, 39; nays, 43.

Mr. KNOWLES: The resolution is lost.

The DEPUTY CHAIRMAN: The resolution is lost.

Clause 2 of the resolution as amended.

Mr. KNOWLES: What is the amendment to clause 2?

Mr. ABBOTT: There is no amendment to clause 2. I think I will move that we rise, report progress and ask leave to sit again.

Some hon. MEMBERS: No.

Mr. GRAYDON: Vote on that.

Some hon. MEMBERS: Question.

Mr. ABBOTT: I have a word or two to say on this clause.

Mr. COLDWELL: What is the motion now before the committee?

The DEPUTY CHAIRMAN: Clause 2.

Mr. COLDWELL: I understood the minister to move that the committee rise, report progress and ask leave to sit again.

Mr. ABBOTT: I am afraid I was a little precipitate. I was looking at the top of the resolution and I see it is one resolution, so under those circumstances I think the resolution must be put as a whole and we cannot put it in its individual sections. I had not glanced at it; I assumed that we were dealing with them one by one, but I see that in its terms it provides, as the ordinary budget resolution in ways and means provides:

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act and to provide:

That is the resolution before the committee of ways and means, and there is only one resolution before the committee.

Mr. KNOWLES: On a point of order—

Mr. ABBOTT: I am really speaking on a point of order. This is a resolution which has to be introduced by a minister of the crown and I suggest to you, Mr. Chairman, that the only resolution which the committee can vote on is the resolution which is before the committee, and which includes six sections. I am sorry if I misled the hon. member for Winnipeg North Centre when he asked, "Which are we voting on?" I frankly confess that I thought there were several resolutions, but I see there is only one.

Mr. KNOWLES: On a point of order, when there was proposed an amendment to the resolution which we have just defeated it was proposed as an amendment to resolution No. 1. I would also point out that it is "budget resolutions", in the plural; the budget resolutions to which the minister referred are always in the plural. The bill which is based on the budget resolutions is based on several resolutions. I suggest also that it is out of order to reflect on a vote of the committee. This committee has voted down resolution 1, and I submit that it is up to the government to find out what it is going to do.

Mr. ABBOTT: My hon. friend is not correct. It was moved that the resolution to amend the Excise Tax Act now before the house be amended as follows, and then were set out seven or eight sections. But there is only one resolution before the committee. In the case of the budget there are several resolutions. The budget procedure is, first, to offer a resolution that the house go into committee of ways and means to consider certain resolutions. That is the resolution on which there is a recorded vote of the house with the

Speaker in the chair. It is then the government resolutions are considered one by one. I must confess that with my limited experience in the house I do not recall a standing vote on a budget resolution.

Mr. DIEFENBAKER: Oh, yes.

Mr. ABBOTT: I have to take exception to that. First, there is a resolution to go into committee of ways and means and then, when the appropriate bill is before the house it may have been voted down, but I do not recall.

Mr. GRAYDON: On a point of order, we have been following parliamentary procedure under the guidance of a competent and experienced chairman. The chairman has put to the vote of the committee the first resolution. We have voted upon that and those who have been supporting in committee the Minister of Finance suffered a defeat. That resolution has been voted down. The next thing that happened was the calling of the second resolution by the minister. No objection was taken before the vote. Then the minister moved that the committee rise and report progress. That motion is not debatable, although the minister was about to proceed to debate it. If the Chair is about to put the motion that this committee rise and report progress, that is a different matter, but certainly the minister cannot now—

Mr. ABBOTT: I said I think I perhaps should move; I did not put a formal motion.

Mr. GRAYDON: Perhaps my hearing was not as good as it normally is, but it is usually quite good and my understanding was that the minister was moving that motion. In any event it is too late now for the minister to cure the defeat; it cannot be done. He cannot reverse that position. I think the minister is now strictly out of order, because, as the hon. member for Winnipeg North Centre has said, he cannot reflect upon a previous vote of this committee or of the house.

Mr. KNOWLES: On a point of order, I submit, Mr. Chairman, that you should not permit this discussion. After the vote was taken you ruled that resolution No. 1 was lost. You proceeded to call for a vote on resolution No. 2. At that point the Minister of Finance made his motion that the committee rise and report progress. I submit that you should put to the committee either resolution No. 2 or the minister's motion to rise and report progress and that you should not permit us to discuss any further resolution No. 1 which has been voted down.

[Mr. Abbott.]

Mr. ABBOTT: I may have misled the committee, but in answer to a perfectly proper question by the hon. member for Winnipeg North Centre who asked, "Are there two resolutions here?" I said, "Yes." I spoke too quickly, because there is only one resolution before the committee. Nothing can cure that. There was only one resolution moved—I have forgotten now by whom, perhaps by myself or one of my colleagues. That is the resolution before the committee. There was an amendment to that resolution which carried earlier in the present sitting. The amendment to the resolution carried and the resolution now before the committee is the resolution as amended. I am merely making the point that the only resolution which it is competent for the committee to consider is the resolution which was regularly moved by one of my colleagues some three, four or five weeks ago.

Mr. MACDONNELL (Muskoka-Ontario): That is the one which was lost.

Mr. ABBOTT: It was not put; that is the point I am making; it was only one section.

Mr. DIEFENBAKER: On a point of order, Mr. Chairman, my point is simply that you have declared the resolution lost. Certainly you cannot make two bites of a cherry. Once you have made your declaration, that is final. Apparently the minister wants to do what the Minister of Trade and Commerce did on Friday evening—cut through the rules of parliament, cut through the proprieties of our procedure, cut through the rules of our constitutional government. I suggest that you have ruled, and that is final.

The DEPUTY CHAIRMAN: If I may say a word for myself, my idea was not to put this only as one resolution. The hon. member for Winnipeg North Centre rose and requested that No. 1 be put. There was no objection raised. My personal opinion was that it should be put that way.

Mr. ABBOTT: The hon. member for Winnipeg North Centre asked if they were separate resolutions, and I said yes. But I was mistaken. There is only one resolution before the committee.

Mr. GRAYDON: Is there one law in parliament for the government and one law for the rest of us?

Some hon. MEMBERS: Order.

Mr. GRAYDON: The reason I ask is this. We are being defeated here regularly on many questions and we have to take it, but now

when the government are defeated on this question they are trying to find some other way of winning. We want to play according to the parliamentary rules. We abide by them and we ask the government to do the same.

Mr. KNOWLES: Further on the point of order, Mr. Chairman, I contend, as has been suggested on this side of the house, that we have before us six separate resolutions, and I refuse to budge from that position. But even if the position taken by the minister is correct, that this is just one resolution, I point out that it is certainly a complicated resolution and Bourinot's Parliamentary Procedure, fourth edition, at page 298 says:

As respects what are known as "complicated questions," they may always be divided into distinct parts . . .

You say, Mr. Chairman, that that is what I requested, a division into distinct parts, and certainly there was no objection to that. So it can be taken either way, and we are right. Either we have six separate resolutions and we are adopting them seriatim, or it is one complicated question which I asked to be divided into six parts, and no one objected; you, sir, put the question either on the first part of it or on the first resolution. Whichever way it goes, I submit that it has been defeated, and I submit that you said in the clearest language "The motion is lost".

Mr. ABBOTT: What is your ruling, Mr. Chairman? I take the stand that there is only one resolution.

Mr. COLDWELL: The Chairman has already ruled.

The DEPUTY CHAIRMAN: I suggest that we rise and report progress and ask leave to sit again. It is for the committee to decide. If you want the yeas and nays on that—

Mr. GRAYDON: They have lots of members opposite in now.

Mr. COLDWELL: The minister does not seem to wish to move the motion you suggested, Mr. Chairman.

Mr. ABBOTT: I have raised the point that there is before the committee only one resolution on which we can vote, and I am taking the position that that is the motion which must be put. I do not know whether you have ruled, sir, on that or not.

Mr. KNOWLES: He said the motion was lost.

Mr. ABBOTT: Admittedly if we can vote on subsection 1 of this resolution the vote was against the passing of that subsection at that time; there is no doubt about that. But my point of order is that the resolution should be put as it was moved. I was mistaken when I said there was more than one resolution. There is not.

Mr. FERGUSON: The Liberal party's attitude is "heads we win, tails you lose".

Mr. COLDWELL: My hon. friend the member for Winnipeg North Centre has pointed out that this is a complicated resolution, if it is a resolution in the singular. If hon. members will look at it they will see that it is a complicated resolution containing many different things, and its very form, if it is a resolution, would suggest that it is more than one resolution. If you look at the way in which it is drafted there are, in my opinion, six different resolutions. Each one begins this way:

Effective on and after November 18, 1947, an excise tax of 25 per cent is imposed on the following goods.

Then No. 2 begins:

2. That on and after November 18, 1947, the rate of excise tax on automobiles . . .

No. 3 begins:

3. That on and after November 18, 1947, the rate of excise tax on phonographs . . .

No. 4 begins:

4. That on and after November 18, 1947, the rate of excise tax on cameras . . .

And so on for the whole six resolutions. I would say that there are six distinct and separate resolutions forming amendments to the act.

Mr. ABBOTT: The initial words of the resolution are:

Resolved, that it is expedient to introduce a measure to amend the Excise Tax Act and to provide . . .

Mr. COLDWELL: A measure.

Mr. ABBOTT: No. To provide what follows.

Mr. COLDWELL: It says that it is expedient to introduce a measure, and whether that one measure is six or five or four resolutions, as the house may decide, all the resolutions will be incorporated in that measure. We have not that measure before us. We have the resolutions which will comprise that measure when it is introduced.

Mr. ABBOTT: The purpose of tax resolutions, as the committee knows, is to inform the house as to the nature of the amendments which it is intended to introduce to the taxing

statutes or with regard to a new taxing statute. The taxing statute to be amended here happens to be the Excise Tax Act, and the resolution which I proposed seeks to amend the Excise Tax Act in certain respects set out here. But I suggest that there is only one resolution.

Mr. COLDWELL: But we decided to discuss it in six different parts and the first part was voted down.

Mr. ABBOTT: We have not only discussed it in six different parts, but we have covered the whole field and a lot more besides. We have discussed the automobile tax and the excise tax and all these other taxes.

Mr. KNOWLES: On the point of order which is now spinning out, it seems to me that there is a clear point on which the chairman should rule. Is it not true that I requested a vote on No. 1, whether it is the first part of a resolution, whether it is clause 1, or whether it is a resolution standing on its own feet? Is it not true that a vote was taken on the first resolution or on that first clause or whichever you call it? And is it not also true, Mr. Chairman, that you clearly said it was lost? In the light of that, is this discussion not out of order?

The DEPUTY CHAIRMAN: Those in favour of No. 2 will say "yea".

Mr. ABBOTT: What are we voting on?

The DEPUTY CHAIRMAN: On No. 2.

Mr. ABBOTT: May I have a ruling on the point of order, Mr. Chairman? I raised the point of order that the only vote which can be taken in this committee is a vote on the resolution as moved, which covers other amendments to the Excise Tax Act as well as those contained in paragraph 1.

Mr. KNOWLES: Mr. Chairman, I submit that it is out of order to ask you to rule on that. That point of order could have been raised only when I asked for the vote. The minister has absolutely no right to reflect upon a vote of this house and to ask now whether it was in order for us to take that vote.

Mr. ABBOTT: It was a vote in committee.

Mr. KNOWLES: The committee is governed by the same rules as the house.

The DEPUTY CHAIRMAN: I think we should vote on resolution 2. Those in favour will please say "yea".

Mr. CASE: We have had no explanation of No. 2.

[Mr. Abbott.]

The DEPUTY CHAIRMAN: No. 2 reads:

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada . . .

And so forth. Those in favour of No. 2 will say "yea".

Mr. ABBOTT: On a point of order, Mr. Chairman, you may rule me out of order; you may say I am wrong, but I am making the point of order that we cannot vote on these sections independently, that there is only one resolution.

An hon. MEMBER: We have already voted.

Mr. TIMMINS: You have already put No. 2, Mr. Chairman. That ends No. 1 altogether.

Mr. GRAYDON: No. 2 has been called, so it is too late now. May I begin the discussion with respect to No. 2 and ask the minister if he will explain the purport of No. 2 resolution, so that we may have an opportunity of going on with the discussion in connection with it.

Mr. ABBOTT: Mr. Chairman, may I have your ruling as to whether we should vote on this resolution as put—

Mr. GRAYDON: Mr. Chairman, I respectfully suggest that we are on No. 2 and that we should now proceed with that discussion.

The DEPUTY CHAIRMAN: If I have to make a ruling I shall have to rule that No. 1 has been voted on.

Some hon. MEMBERS: Hear, hear.

The DEPUTY CHAIRMAN: We will call No. 2. Those in favour of No. 2 will say "yea".

Mr. GRAYDON: We have a right to discuss No. 2, Mr. Chairman, and I have entered upon the discussion of it by asking the minister to explain the purport of it.

Mr. ABBOTT: Do I understand your ruling to be this, Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. ABBOTT: I want to know. Do I understand your ruling to be that the resolution cannot be put as a whole and that we should now vote on No. 2, and, if that is carried or rejected, go on to No. 3? Is that your ruling?

The DEPUTY CHAIRMAN: Yes.

Mr. ABBOTT: With the greatest respect, I must appeal your ruling, Mr. Chairman.

Mr. DIEFENBAKER: Mr. Chairman, on a point of order—

The DEPUTY CHAIRMAN: An appeal has been taken and I must report it.

Mr. BOUCHER: May I point out that the appeal was not taken until you had already called item 2. That being the case, we are through with the first item.

The DEPUTY CHAIRMAN: There has been an appeal against my ruling and the appeal must be reported.

Mr. COLDWELL: Mr. Chairman, this ruling was appealed long after you had made your ruling, and as I understand the procedure of this house—

The DEPUTY CHAIRMAN: Order. I must ask the hon. member and all hon. members to have no further discussion until this appeal is decided on.

Mr. COLDWELL: I am discussing the appeal; my point is that an appeal must be made at the time the ruling is given, and the ruling was given several times before the appeal was made. The appeal is out of order.

The DEPUTY CHAIRMAN: I would ask hon. members not to discuss the matter further.

Mr. DIEFENBAKER: We have rights in this house.

Mr. KNOWLES: On a question of privilege—

Mr. DIEFENBAKER: I want to say this, sir. When you made your ruling there was no question raised by the Minister of Finance in regard to the regularity of that ruling until he found out that he had lost; and then, having lost, he said, "Well, when I played that time, when I participated, and I lost, I was really just playing." I suggest, sir, that you have made your ruling. You went on to part 2, and to return now is to deny to parliament its rights and privileges.

The DEPUTY CHAIRMAN: The appeal against my ruling is in order and I would ask hon. members not to carry on further discussion. The appeal is against my ruling.

Mr. KNOWLES: Mr. Chairman, I rise to a question of privilege. I submit that what is before the house is not a ruling at all. What is before the house is your statement as to the result of the vote, and a matter like that is not subject to appeal.

The DEPUTY CHAIRMAN: The hon. member is quite in error. I ruled that this vote was in order. The Minister of Finance takes exception to that and he has appealed against my ruling.

Mr. COLDWELL: On a question of privilege, may I point out that not only did the Minister of Finance fail to challenge your ruling at the proper time, but you called and we began to discuss No. 2.

Mr. ABBOTT: I cannot agree with that.

Mr. GRAYDON: I take it we are going on with No. 2. I have already initiated the discussion and I should like to make some remarks in connection with it.

The DEPUTY CHAIRMAN: Order. I should not have to point out to the hon. member that the minister has appealed against my ruling and that we have to have that reported to the Speaker. I have to report that to the Speaker.

Mr. GRAYDON: Mr. Chairman, we should not have to have it pointed out to us either that, after the whole thing is decided, the minister can take his time as to when he wants to appeal on a thing of this kind. He should appeal at once or let it go.

Mr. ABBOTT: It was not a case of taking his time—

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: I was discussing the point and reiterating my point of order, and frankly I did not think, Mr. Chairman, that you had given a formal ruling on my point of order until I asked you what it was.

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: In fairness that is the case.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

The chairman ruled that the vote in the committee of ways and means on the first section of the resolution under consideration was in order. From that ruling Mr. Abbott appealed.

Mr. SPEAKER: Those in favour of confirming the chairman's ruling will please say "yea."

Some hon. MEMBERS: Yea.

Mr. DIEFENBAKER: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. DIEFENBAKER: I will not sit down.

Some hon. MEMBERS: Order.

Mr. DIEFENBAKER: On a question of privilege, Mr. Speaker—

Mr. SPEAKER: It is a well known rule that when the question is put for a division no member is allowed to speak.

Mr. DIEFENBAKER: Mr. Speaker—

Mr. SPEAKER: Those in favour of the ruling will please say "yea."

Some hon. MEMBERS: Yea.

Mr. DIEFENBAKER: Mr. Speaker, I challenge the correctness of the report that has been given to you.

Mr. SPEAKER: Those against will please say "nay."

Som hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "nays" have it. Call in the members.

The question before the house is an appeal from the ruling of the chairman of the committee of ways and means. The chairman ruled that the vote in the committee of ways and means on the first section of the resolution under consideration was in order. From that ruling Mr. Abbott appealed.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the question was decided in the negative on the following division:

YEAS

Messrs:

Archibald
Argue
Barrett
Bentley
Blackmore
Blair
Boucher
Bowerman
Bradshaw
Brooks
Bryce
Burton
Campbell
Case
Casselman
Castleden
Charlton
Church
Cockeram
Coldwell
Coyle
Daniel
Diefenbaker
Fair
Ferguson
Fleming
Fraser
Gibson (Comox-Alberni)
Graydon
Green
Hazen
Herridge
Hlynka
Hodgson
Homuth
Jackman
Jaenicke
Knowles
Kuhl
Lacombe
Lockhart
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
MacInnis
McKay
McLure
MacNicol
Manross
Menary
Merritt
Moore
Nicholson
Quelch
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Skey
Smith (Calgary West)
Stephenson
Stewart (Winnipeg North)
Stokes
Strum, Mrs.
Timmins
Townley-Smith
Tustin
Webb
White (Middlesex East)
Wright
Wylie
Zaplitny—72.

NAYS

Messrs:

Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Bertrand (Terrebonne)
Blanchette
Boivin
Bonnier
Bradette
Brown
Brunelle
Chevrier
Cloutier
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Fournier (Hull)
Gardiner
Gauthier (Nipissing)
Gibson (Hamilton West)
Gingues
Gladstone
Gourd (Chapleau)
Grant
Gregg
Harris (Grey-Bruce)
Hartt
Healy
Howe
Ilsley
Isnor
Jean
Jutras
LaCroix
Lafontaine
Langlois
Leger
Little
McCann
McCubbin
McIlraith
McIvor
MacLean
MacNaught
Martin
Matthews (Brandon)
Maybank
Michaud
Mitchell
Mutch
Nixon
Parent
Pouliot
Raymond (Wright)
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
St. Laurent
Sinnott
Stuart (Charlotte)
Tremblay
Tucker
Viau
Warren
Weir
Winkler
Winters—79.

Mr. COCKERAM: Before you announce your ruling, Mr. Speaker, through a slip of the tongue, led by the Minister of Justice (Mr. Ilsley), you asked those who followed him to confirm the chairman's ruling.

Mr. SPEAKER: I declare the chairman's ruling not confirmed.

Mr. CARDIFF: I was paired. Had I voted, I would have voted to confirm the chairman's ruling.

Mr. MARQUIS: I was paired with the hon. member for Charlevoix-Saguenay (Mr. Dorion). Had I voted, I would have voted against confirming the chairman's ruling.

Mr. ABBOTT: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted against sustaining the chairman's ruling.

Mr. PROBE: I was paired with the hon. member for Jacques Cartier (Mr. Marier). Had I voted I would have voted to confirm the chairman's ruling.

Mr. GARIEPY: I was paired with the hon. member for Victoria-Carleton (Mr. Hatfield). Had I voted, I would have voted against confirming the chairman's ruling.

Mr. BRACKEN: Out of courtesy to the Prime Minister (Mr. Mackenzie King), in his absence I did not vote. Had I voted, I would have voted to sustain the chairman's ruling.

Mr. LESAGE: I was paired with the hon. member for Kamloops (Mr. Fulton).

Mr. MILLER: Out of courtesy to the Minister of Mines and Resources (Mr. Glen) I did not vote. Had I voted, I would have voted to sustain the chairman's ruling.

Mr. MALONEY: I was paired. Had I voted, I would have voted against the chairman's ruling.

(*Translation*):

Mr. GAGNON: I was paired with the hon. member for Parry Sound (Mr. McDonald). Had I voted, I would have voted for the ruling of the chairman.

(*Text*):

And the house having resumed in committee:

The DEPUTY CHAIRMAN: Shall the resolution as amended carry?

Mr. KNOWLES: No. I take it that you are now putting to the committee the entire six-point resolution, in the light of the vote that has just been taken?

The DEPUTY CHAIRMAN: That is right.

Mr. KNOWLES: That being so, I move in amendment, seconded by the hon. member for Mackenzie (Mr. Nicholson):

That clause 1 of the proposed resolution as amended and clauses 2, 3 and 4 be deleted from the proposed resolution.

Mr. COLDWELL: Before the amendment is put, I think a word should be said as to why it has been moved. These particular clauses are objectionable to us and, I think, to many other members of the opposition, because they impose a burden very largely upon people who cannot afford that burden at the present time.

After all, many of the appliances included in these four clauses are now the normal equipment of an ordinary household. They cannot be regarded as luxuries. In many parts of the country, including rural areas being electrified, these appliances are necessary for the benefit of health of the people living in such communities.

It is true that there may be some argument about some of the articles in these clauses. In the main, however, I would point out that they are articles of necessity. I am particularly interested in No. 4, because it deals with projectors required for the visual education of the people, a factor which becomes more and more apparent as days go by.

Therefore I support the amendment just moved. I believe that it is in order, and that we should vote for it.

Mr. POULIOT: Mr. Chairman, before the question is put, I wish to state my position regarding this kind of taxation. How many times have I complained about financial advisers of the government, without receiving any support at all? I am not surprised to hear complaints about this legislation. How many times, when I have asked that the deputy minister of finance be fired, have I been rebuked? I have been rebuked each time. Unless he is fired, and unless that great expert on taxation, Hector So-and-so, is fired, and unless the minister changes his staff, we shall always have difficulty with regard to taxation.

Mr. KUHL: The government is responsible.

Mr. POULIOT: The members are responsible, because they do not support me when I ask that these men be fired. The hon. member, the tallest of all of us, is ready to support them. Why does he not come with me and say, "Pouliot, you are right on this. Those men should be fired." Then we shall have sensible representation, which would be in accordance with the British North America Act.

Mr. KUHL: I am not supporting them.

Mr. POULIOT: The hon. member is antagonistic toward this legislation; but, on the other hand, he is ready to swallow what is said by the experts who have suggested it to the government. He is illogical. I have established many times—perhaps a thousand times—that the hon. member has been illogical. I cannot understand why he was elected in his constituency.

I make the urgent request to the Minister of Finance to get rid of all the nonentities in his department, starting with his deputy minister. I may be rebuked by him today, but I shall repeat my request immediately afterwards. I refer to that man who has been the

downfall of a respectable and reputable institution in the United States, who was put in a key position by Bennett, and who is not qualified to be adviser to the Minister of Finance. Throw all the Tories out of the Department of Finance; we want more Liberals there, to have a liberal policy in taxation.

At the request of the hon. member for Quebec South, who was organizer of the Liberal party in 1935 in Quebec, I made a list of the taxation imposed by Bennett each year, and it was used as propaganda during the election. Here is a copy of that leaflet which was distributed through the country. I was responsible for it. And if any member will take the trouble to read *Hansard* of 1935 he will see that list of taxation which I computed and put on record.

The Prime Minister said in February of 1935, "We have understood the necessity for reducing taxation." And then, I see in the pamphlet, "To reduce the burden of taxation, vote Liberal." I prepared that conscientiously, because I wanted taxation to be reduced.

Now we have more taxation. I do not put the blame upon the minister. He is a likeable chap, but he suffers from the bad companionship of those wizards in the Department of Finance. Let us get rid of them. Who in this committee will say I am wrong when I denounce them?

I am sorry we have come to this amount of taxation.

Mr. GILLIS: Would the hon. member put that list on record again?

Mr. POULIOT: It is already on *Hansard*. If the hon. member will follow the example set by the hon. member for Winnipeg North Centre, and begin to read my speeches, he will find many good things in them.

It is past history, of course; but it is there. Let me say this to hon. members: They complain about taxation now, but when gifts to all countries of the world and the financing of the British empire were the subject of debate in the house, they were all for it. No one was against it. There were only a few of us who protested against that nefarious financial policy.

Let me repeat what I said about the deputy minister of finance—and I am extremely glad he is not here today. He used to come here to adorn the House of Commons by his presence; but he is not here today, and it is a good thing he is not. He should not be in the department, either. Why? Because by his crazy investments he caused the downfall of the Strauss Corporation, a reputable institution in New York. He was the treasurer of the Strauss Investment Corporation. He made crazy investments; he had a bad background, but he was taken in because he flattered the vanity of the late Lord Bennett. He told Mr. Bennett that he should receive honorary degrees from all the universities on the North American continent. We have to stand for it, and the poor man, the underdog, has to pay taxes on account of it.

Let us get rid of these people. Let us get rid of Clark. Let us get rid of Towers. Let us get rid of Rasminsky. Let us get rid of Donald Gordon. Let us get rid of all these fake wizards, and then we shall have sensible taxation and the people of this country will be able to carry on without too much difficulty.

I am sorry to have been obliged to say this, but I suffered much when I thought of it and when I thought of the poor people who are suffering because of the stupidity of these so-called wizards who would not be tolerated as advisers in any other government. I am fed up with them.

Mr. MacINNIS: I should think the Minister of Finance would say something in protection of his financial advisers. Either there is some foundation for what the hon. member for Temiscouata has said or the minister does not consider it worth a reply.

Mr. ABBOTT: My hon. friend got to his feet so quickly that I did not have a chance. I shall have something to say.

Mr. MacINNIS: The chairman was on his feet before I rose, so that the minister has no excuse. I insist that the hon. member for Temiscouata is engaging in idle talk. Even if the minister has stupid advisers, he is not compelled to take their advice. He must always assume responsibility in this house. Anything that is brought here we understand comes from the minister. He takes the responsibility, and for that reason I do not believe either the committee or the advisers of the minister should have to take the sort of thing that they have to take daily from the hon. member for Temiscouata.

While I am on my feet, I think I should say something about this resolution, particularly about paragraph (c) of resolution 1 which deals with electrical or gas refrigerators. I am satisfied that not only on this side but on the government side and throughout the country there is tremendous opposition against the tax on these articles. If this amendment does not carry I suggest to the minister that, even at this late date, he should undertake to remove this item from the resolution. I have

received a great number of letters—I suppose other hon. members have as well—protesting against these excise taxes in general, but nearly every letter received from business firms and individuals emphasized this particular item. I suggest again that, if this amendment does not carry, the minister remove this item from the resolution.

Mr. ABBOTT: The hon. member for Vancouver East has said that I should defend the officials of my department. I think my attitude with respect to attacks in this house on civil servants is pretty well known. I have had occasion to voice it a number of times. I know that the hon. member for Temiscouata holds very strong views about the civil service. I know that he holds strong views about the ones he has mentioned today, and he has voiced those views before. There is nothing I can add other than to say that I have complete confidence in my officials and I do not agree in any respect with what he said concerning their ability.

Mr. ROSS (Souris): I wish to say a word in support of this suggested amendment and I want to expand somewhat the remarks of the hon. member for Vancouver East. There are a great many people across this country who have protested with respect to paragraph (c) of resolution 1. I do not think I can do better than to read a portion of a letter I received in today's mail. It is true that I referred to refrigerators some time ago in this debate, but I should like to quote from this letter as follows:

> Regarding the new 25 per cent excise as it applies to electric refrigerators. This tax is in my mind one of the most ridiculous things that we as appliance dealers have had to contend with.
>
> I make this protest, first as an appliance dealer serving a rural area of over 5,000 people and secondly as president of the Manitoba radio and appliance dealers' association, representing over 300 radio and appliance dealers in this province.
>
> There is no doubt about it that an electric refrigerator is no longer a luxury. The high cost of perishable foods such as meat, milk, butter and eggs makes it imperative that the average income group has a safe and sure method of food preservation. This tax is not affecting the higher income bracket family. The young veteran and his family who are trying to set up a new home and make his re-establishment credit go as far as possible is the one that is taking the beating.
>
> If the tax was imposed to depress the sale of major electrical appliances it is certainly not doing it as far as the farming areas are concerned. A few dollars tax is not going to stop the people in the farm areas from having the conveniences that they have been waiting so many years for. As I suggested above, the tax is not achieving its purpose and at the same time is creating many hardships. The component parts of refrigerators that have to be imported from the United States represent a very small portion of the finished product. The saving in United States dollars from this source must be small.
>
> There is a good deal of confusion as to the collecting of the tax inasmuch as it applies to hospitals and public institutions. I am enclosing a copy of a letter which we wrote to the Canadian Westinghouse Company Limited and which is self-explanatory. I would appreciate it very much if you would take this matter up with the department of customs and excise and get a clear cut ruling on the matter of rebate of the 25 per cent excise tax when an article is purchased for use in a community owned hospital.
>
> Our national organization of radio and appliance dealers is exerting a great deal of pressure on the government to have this tax taken off refrigerators. Any assistance you can give us in the house will be much appreciated.
>
> Mr. Abbott has made the statement to our committee in the east that it is politically impossible for him to retract now. This seems like a pretty weak excuse.

Mr. ABBOTT: I did not make any such statement.

Mr. ROSS (Souris): That is what he has been informed. That is the situation today. I think that letter is based upon the real facts which exist in this country. People with average incomes are finding it difficult to purchase some of the essentials of life for members of their families, especially when there are young children. A refrigerator is an essential article. It is necessary to preserve food and there is nothing luxurious about it. It is one of the most essential articles required by families in the low and average income groups. Why the government should undertake to impose such a tax at this time on people in the low-income group is certainly more than I or any of these people on low incomes can understand. The government are distinctly wrong, and if the amendment should fail to carry I appeal to the minister and the government as strongly as I can to exempt refrigerators from this tax.

Mr. MANROSS: I wish to say a word about this tax on refrigerators. The minister told us that one of the purposes of this tax was to curtail consumption. It was suggested by the hon. member for Muskoka-Ontario and the hon. member for Moose Jaw that production and consumption could have been curtailed by rationing United States dollars to these manufacturers just as was done with the automobile industry. The minister replied to the effect that there was a lot of domestic material content in these refrigerators, such as copper

and steel, which would be available for export if not used in the manufacture of refrigerators. But the refrigerator manufacturers in Canada, I would point out, have established the Canadian content over a period of years and drawbacks are provided for exports, so that the department knows exactly how much of United States content there would be in each model of refrigerator the manufacturer makes. Furthermore, the manufacturer would not use any more copper or steel, because what they import from the United States is the heart, which consists of the compressor and thermostatic expansion valve. You cannot build a refrigerator without these component parts, and that is what they are bringing in from the United States. So that if dollars were rationed on the basis of past imports they could build only as many refrigerators as they bring in component parts for.

Another thing about curtailing consumption is that you are curtailing consumption of the wrong people. The rich people are not concerned about paying $25 or $38 more for a refrigerator if they want one. They buy the more expensive models, ten or eleven cubic feet, and they cannot get them now. What this tax is doing is penalizing the veterans and the young couples who are starting up housekeeping and need a refrigerator. This tax makes them pay 25 per cent more for it. The minister said: They will save their money in the meantime and buy a refrigerator when the tax comes off. But they cannot save their money, because they have to have that refrigerator this summer. Many veterans' homes have no cellars and many ice companies will not take on any more customers. There was a shortage of ice last year and, no doubt, will be again this year, because the natural ice went out before the ice companies had finished their cut. I do not believe the tax will do anything to curtail the consumption of the rich people, but it does hit the veteran and the newly married couple. Furthermore, it puts members on both sides of the house, particularly on the government side, in an embarrassing position. I hope the government will not get the support of its members for this tax, but, if it does, what will that member say to the veteran whom he is taxing 25 per cent more on his refrigerator? The veteran will be getting literature from his branch of the legion showing that his member voted for this tax.

If we vote for this tax we are breaking our pledge to the boys who went overseas and fought overseas. It is like saying to them: You were over there fighting for us and we gave you a nice brochure saying for $13.42 a month you get all this and a nice sum of money when these goods were tax-free; but now you are through school, have a wartime house perhaps, the war is over, and you can pay the tax just like anybody else, and so the veteran is hooked for the 25 per cent tax that he should not be asked to pay. For these reasons I am supporting the amendment.

Mr. ABBOTT: I have had an opportunity of considering the amendment moved by the hon. member for Lake Centre, and I must take the position, Mr. Chairman, that it is not in order. I have had occasion to raise a similar point before on amendments moved in committee of ways and means. For your consideration, sir, I cite May's Parliamentary Practice, thirteenth edition, where at page 544 I find this:

> Proposals for the variation or modification of taxation can therefore be made in the committee: but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty; the necessity of new taxation, to that extent, being already declared on behalf of the crown.

I submit that the amendment would affect the balance of ways and means and, therefore, is out of order when submitted by a private member.

Mr. KNOWLES: I wish to speak to the point of order and perhaps, Mr. Chairman, you would recognize that it is six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MANROSS: I was almost through when the committee rose at six o'clock. Discussing the curtailment of consumption and referring to electric refrigeration, I had said that if this had been put on the dollar basis it would have effected the end aimed at just as effectively as by means of the 25 per cent tax. We have been argued out of that position. Nevertheless the department has apparently decided to put manufacturers of electrical refrigeration on the dollar quota basis. That is the way in which it proposes to work. If that is to be done in order to cut down production and consumption, I see no necessity for the 25 per cent tax for this

purpose, in view of the fact that it deprives those who most need it of consumption in this form.

Mr. KNOWLES: Mr. Chairman, just before the committee rose at six o'clock the Minister of Finance had raised a point of order with respect to the amendment which I had moved a little earlier. I may remind the committee that my amendment was a very simple one. It merely asked that clauses 1, 2, 3 and 4 of what is now perforce regarded as one resolution be deleted. The Minister of Finance, as I say, raised a point of order with respect to this amendment. I intend to answer the argument put forth by the Minister of Finance on his own ground, namely, by quoting from May and other authorities; but before I do so, may I point out to the committee and to you yourself, sir, the utterly impossible position in which the government is putting this house by the course now being pursued by the Minister of Finance.

This afternoon we took the position that we had before us six separate resolutions. On the basis of that position we contended that we had the right to vote on those six separate resolutions as six separate propositions; in other words, that we had the right to accept some and reject others. The minister argued against that position, after resolution No. 1 had been defeated on a free vote, and contended that what we had was not six separate resolutions but just one resolution. I immediately did what seemed to be the only course left to us, by moving the amendment now before the committee.

The minister now contends that my amendment to delete the clauses we object to is out of order. In other words, it is a case of the government saying that the opposition simply cannot have an opportunity to vote on these individual propositions either one way or the other.

I contend that the government has a pretty serious responsibility resting on it by following this course and by raising points of order of this kind. I felt, however, from the attitude of the Minister of Finance, and from things I thought I heard him say, although he did not rise from his seat to say them when I moved my amendment, that he was satisfied with this procedure. It seemed to me he felt that here was a chance to vote on the question whether or not we accept or reject the first four parts of his resolution. We are told now that we cannot have that opportunity, that we have either to take as a whole or to reject as a whole these six different propositions.

I submit that such a procedure is entirely contrary to the spirit of the citation which I read this afternoon from Bourinot, and which is in the other authorities as well, namely, that it is always proper to ask for a division of a complicated question into its distinctive and constituent parts. Therefore I am sorry, in the name of parliamentary democracy, that the minister has taken this position, in view of the place in which it puts the opposition in this free parliament.

But, Mr. Chairman, the minister has chosen to cite from page 544 of May, thirteenth edition, reading part of the paragraph, and contending, on the basis of a part of that paragraph, that my amendment is out of order. The part he read from page 544 was as follows:

> Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year.

I forget whether he read the rest of the paragraph or not.

Mr. ABBOTT: I went right on.

Mr. KNOWLES: Fine; I shall do the same. However, after that I wish to come back and point out the part he failed to read. It goes on:

> Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty; the necessity of new taxation to that extent, being already declared on behalf of the crown.

Now I point out that in that same paragraph there is this first sentence which the minister neglected to read:

> Though it is the function of the committee of ways and means to impose rather than to repeal taxes, examples of the repeal of taxation effected in this committee are to be found upon the journals.

There is a footnote at the bottom of the page, which gives a list of a number of cases where the repeal of taxes has been effected in the committee of the whole.

Now, Mr. Chairman, and this is the crucial part of my argument, it seems to me that the feature about the citation which the minister quoted and which has not been noted is this. The paragraph as a whole is dealing with two separate things. In the first sentence it deals with the right to repeal certain taxes, the right to get rid of certain taxes altogether. That is a very brief sentence without any provisory qualification added to it. In the second place this paragraph deals, not with repealing or

wiping out a tax altogether, but with varying or modifying a tax that has been proposed by the government; and the part of the paragraph which the minister read says that when you try to do that, and only when you try to do that, you must stay within the general framework of the government's balance of ways and means. The paragraph goes on to give the reason why the committee must do that. This must be done so as to carry out the general instruction that any money measure must in the first instance have had the recommendation of the crown.

I submit, Mr. Chairman, that that citation which the minister read, and which has often been brought out in this house as a reason why the opposition cannot move any amendment in committee of ways and means, has been completely misinterpreted. It is not a citation which says that no changes can be made in committee of ways and means. It simply says that if you are trying to vary or modify a tax proposal, you must stay within the general framework of the government's proposal. Again I say that paragraph deals with two things. It deals with what you must do if you are seeking to vary or modify a government tax proposal, but it also permits the complete repeal of a tax proposed by the government, and to this permission no proviso is attached. The Minister of Finance read from only one page in May, thirteenth edition. May I ask him to turn to certain other pages. I ask him to turn to page 560 of the same volume, which reads:

> Proposals to reduce a burthen upon the people may be made in the house or in committee, no special form of procedure being prescribed for such a motion . . .

The paragraph goes on to say that this may also be done in connection with the introduction of bills which are strictly confined to the reduction of a tax or charge upon the people. Then the paragraph continues:

> It follows that amendments for the reduction of such charges, as taxes, rates, salaries, tolls and penalties, can be moved when a bill is considered upon report—

Perhaps I had better go on. I referred to the minister's not reading the whole of a paragraph. This had better be put on the record too. The paragraph continues:

> —and this has been permitted even when, by indirect effect, an amendment created a certain amount of charge. For instance, it was held allowable, upon this stage, to strike out an exemption from a tax, which had been agreed to by the committee on the bill; and also to omit a clause imposing a charge upon the ratepayers, although the omission of the clause left other parties, already liable by law, still chargeable with certain expenses.

[Mr. Knowles.]

So in that paragraph on page 560, the tone of which is clearly set out in the first sentence, that it is always competent for a committee to reduce a burden upon the people, is a specific list of things which it is possible to repeal; taxes, rates, salaries, tolls and penalties. What we are seeking to do in this amendment is not to vary or modify a tax, as is set out in the citation quoted by the Minister of Finance. We are seeking to get rid of one altogether. If hon. members will turn again to page 519 of May, thirteenth edition, pages 518 and 519, they will find this interesting paragraph. This paragraph follows a section that has dealt with the necessity of having the royal recommendation in connection with any bill that will involve the expenditure of money or the imposition of a burden. Note this paragraph:

> It follows, as a matter of course,—

And this is fundamental to British parliamentary practice having to do with the imposition of taxes.

> —that a motion to alleviate the burthens upon the people is not within the scope of the standing orders relating to the imposition of charges upon the people.

In other words, a motion to alleviate a burden is not governed by the standing orders that have to do with expenditures and taxes, which require the royal recommendation. The paragraph continues:

> A bill for diminishing or repealing a tax or other public burthen, unless the imposition of a new tax is proposed by way of substitution, is introduced without the royal recommendation or preliminary committee stage.

That again is very clear. I pick up now another book, and this time it is Bourinot, fourth edition, in which there is a long list of things that can and cannot be done in committee of the whole with respect to taxes. Finally, at the end of the paragraph that appears on pages 431 and 432 there is this clear-cut sentence:

> A proposition for the repeal of a duty is in order, and cases will be found where a proposed duty has been struck out in committee.

I submit, Mr. Chairman, that that citation fits exactly the terms of my amendment. My amendment is a proposition to strike out in committee a proposed duty. I have left that one to the last because it is so clear; but actually in terms of the theory of parliamentary procedure I feel that the citations I have quoted from May are more to the point, and I hope that they will have cleared up this confusion about the citation which the Minister of Finance read. Clearly that citation would apply if my amendment were an

attempt to modify or vary a tax imposed by the government. If I were seeking to do that, I would either have to show that I had the governor general's approval, or I would have to show that it was within the framework of the government's balance of ways and means. But that is not what I am seeking to do. I am not trying to modify or vary a tax at all. I am asking this committee to exercise the fundamental right that has adhered to parliament down through the ages, and that is to relieve a burden placed upon the people. I am asking that certain items of taxation be struck out altogether, and I submit that my amendment is clearly in order.

Mr. ABBOTT: I congratulate my hon. friend on the able and clear way in which he has presented so convincingly a completely fallacious proposition. If he were a member of my own profession, I would be inclined to make him an offer. This resolution which contains six subsections—four of which ask authority to impose taxes and two of which ask authority to take taxes off—must, I submit, be treated as a whole. The last two paragraphs, which the proposed amendment would leave in, remove the sales tax on electricity and gas used in dwellings and remove the excise tax of one cent a pound on sugar and similar products. The effect of the taxes which are removed would, it is estimated, be something of the order of $21,000,000 for a full year. It has not been possible to estimate the yield of the taxes which it is proposed should be put on. But I suggest that if you eliminate the proposed new taxes and leave in the taxes which it is proposed should be removed, it clearly affects, to use May's terminology, the balance of ways and means voted for the service for the year. I do not think that can be successfully contradicted. This point of order has been made before in connection with budget resolutions and, according to my recollection, has been sustained, and I suggest to you, Mr. Chairman, that it is well taken.

Mr. KNOWLES: I shall not say anything about the introductory sentence which the Minister of Finance has just now used lest I get myself into trouble. But I am satisfied that many members of the committee will admit that the argument I put forward was by no means fallacious. It was too strong for the minister to answer.

Some hon. MEMBERS: Oh, oh.

Mr. ABBOTT: That is fair enough.

Mr. GRAYDON: It sounded that way.

Mr. KNOWLES: I point out that the minister has completely failed to meet the point I was making, namely, that the proviso he keeps coming back to relates, as May clearly points out, only to an attempt to vary a particular tax. That same paragraph makes it clear that the committee has the right to do other things, such as get rid of a tax altogether. I am now going to read the whole of the paragraph from which I quoted in Bourinot, on pages 431 and 432. This paragraph includes more than the subject with which we are dealing, but I think it well to read it all to get a bird's-eye view of this whole proposition.

> All the authorities go to show that, when the government have formally submitted to the house the question for the revision of customs and excise duties—

Which is what we have before us now.

> —it is competent for a member "to propose in committee to substitute another tax of equivalent amount for that proposed by ministers, the necessity of new taxation to a given extent being declared on behalf of the crown."

The DEPUTY CHAIRMAN: Order.

Mr. KNOWLES: That is one thing that can be done. Changes can be made within the framework of the scheme that has been approved by the crown.

> It is also competent for any member to propose another scheme of taxation for the same purpose, as a substitute for the government plan. But it is not regular to propose a new and distinct tax, which is not a mere increase or diminution of a duty upon an article already recommended by the government for taxation, though it is the function of this committee to impose rather than to repeal taxes.

Then comes the last sentence; and the reason I have read the whole paragraph is to get it clearly in the mind of the committee that this rule sets out several different propositions.

> A proposition for the repeal of a duty is in order, and cases will be found where a proposed duty has been struck out in committee.

My whole argument turns on this, Mr Chairman, that there are at least two different things set out by these rules which it is competent for the committee of the whole to do. One is to make variations or modifications. When the committee tries to do that it has to follow the proviso or qualification the minister has quoted. The other is to strike out a tax altogether; and when the committee seeks to strike out a tax, neither in May nor in Bourinot is there any such proviso or qualification as that quoted by the minister. The minister is trying to take a qualification that applies to one procedure and attach it

to another. I submit that not only is that an invalid way of arguing, but that we have had a little too much of it in this house.

Mr. POULIOT: I enjoy very much listening to the hon. member for Winnipeg North Centre; that is why I did not rise earlier to call him to order. The situation is obvious. When the resolution was before the committee, Mr. Chairman, you decided that it should be considered paragraph by paragraph. Then an appeal was taken to the Chair. The ruling of the Chair was that the resolution should be taken as a whole, and that ruling has been supported by a majority of the house. Therefore the amendment of the hon. member for Winnipeg North Centre is just a criticism of the ruling of the Chair. As a result it is clearly out of order. It is a defiance of the ruling of the Chair. Mr. Speaker gave his ruling and declared that the resolution should be considered as a whole, not according to its several parts. That ruling was given support by a majority of the house. Then, after all that, the hon. member for Winnipeg North Centre tries to educate us as to what should have been done. It is done. It is like arguing about spilled milk. It is finished. How can he come before you and ask that you act in the opposite way to the decision of the Chair? I cannot conceive it. For me the thing is as clear as crystal water. There is no doubt about it; and when the hon. gentleman thinks the matter over he will realize that. What has Bourinot to do with it? What has May to do with it?

Mr. KNOWLES: Ask the Minister of Finance.

Mr. POULIOT: There is a paramount principle that the majority rules, and the majority has decided to sustain the ruling of Mr. Speaker. Therefore the house is bound by that, and we cannot resort to this committee to change it. The committee has to act in accordance with the orders it receives from the house; and the ruling of Mr. Speaker, supported by the house, binds the committee now. I repeat, therefore, that the amendment of the hon. gentleman is absolutely out of order.

Mr. IRVINE: The chairman's ruling was voted down, you know.

Mr. POULIOT: I mean the Speaker's ruling.

Mr. KNOWLES: The Speaker did not rule at all.

Mr. POULIOT: The Speaker's ruling was supported.

Mr. MacINNIS: Evidently the hon. member was not in the house when the vote took place; otherwise with his usual acuteness he would have known what happened. The chairman gave a ruling; the Minister of Finance appealed that ruling, and my hon. friends on the government side voted against sustaining the chairman's ruling. Consequently we now have what the Minister of Finance wanted; we have one motion instead of six, and that motion is amendable.

Mr. MacNICOL: Now that the whole resolution is back before the Chair—

Mr. ABBOTT: And an amendment.

Mr. MacNICOL: I am not speaking to the amendment—

The DEPUTY CHAIRMAN: There is a point of order before the Chair and I should like to give my ruling now, because I do not think there is any point in further discussing it. At the outset of his speech the hon. member for Winnipeg North Centre referred to the minister as wanting certain things, but I should like to remind him that the house itself decided that this should be submitted as one resolution. In regard to the other points the hon. gentleman raised, I think I should read Beauchesne, third edition, page 182, citation 500:

> Though it is the function of the committee of ways and means to impose rather than to repeal taxes, examples of the repeal of taxation effected in this committee are to be found upon the journals.

And I should like hon. members to notice this:

> Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty, the necessity of new taxation, to that extent, being already declared on behalf of the crown.

I followed the hon. member very closely. In his amendment he certainly does not propose any way of raising any tax of any sort. In view of citation 500 to which I have referred, I rule that the point of order raised by the minister is a proper one, and that the amendment is out of order.

Mr. SMITH (Calgary West): It seems to me that what is suggested here is nothing more or less than what is done every day when we are dealing with estimates. The amendment offered by the hon. member is not a substitution of another tax. It is not a suggestion of any increase. In fact, according to the minister, this is not a tax.

The DEPUTY CHAIRMAN: Order; the ruling is not debatable. I have listened to the arguments for and against. Every hon. member who wished to do so had an opportunity to present his argument, if he believed the amendment was in order. I have given my ruling, and I believe it is a correct one because it has been given many times. I would hope, therefore, that the committee would not waste any further time on it and would deal with the resolution. Shall the resolution carry?

Mr. MacNICOL: Mr. Chairman, since the resolution has not yet carried, and since it is all before the committee, there are one or two observations I should like to make. My first remarks will be about paragraph (b) of section 1, and then I shall speak about section 2. I would refer, first, to electrical items, and then to motorcars.

A few days ago there was a discussion in the house as to how the Minister of Finance could return excise taxes once they had been paid in. Today I received a letter from the Canadian Association of Radio and Appliance Dealers, which might be of some assistance to the minister in connection with the returning of the tax, if later on it were decided to have that done.

This letter is addressed to myself and reads thus:

> We notice in the press that the 25 per cent excise tax on electrical appliances is being discussed in the house and, particularly, the feasibility of returning the tax moneys already collected to the consumers.
>
> The Canadian Association of Radio and Appliance Dealers has discussed this matter with many of its members and with other branches of the electrical industry, and we stand ready to assist the government in carrying out a reversal of the procedure by which this tax was collected.

I might say that this association is using good judgment in offering to assist the government. The letter continues:

> For example, for guarantee purposes our members are forced to record the name and address of each electric refrigerator purchaser (they have a five-year guarantee). Therefore, there would be no problem in having cheques mailed to each of these purchasers for the amount of the tax. In addition, this association is prepared to go further and by national coverage in the press invite consumers to apply to their retailer for the rebate.
>
> This association stands ready to facilitate the removal of this tax which in the eyes of the young couples and veterans who enter our stores seems to be an unnecessary burden.

I thought perhaps the minister would like to have this letter on *Hansard*. If he decides to return the tax later on, then he will know this association is ready to assist his department.

I agree with all that has been said by hon. members on this side of the house, although I am not so sure about those on the other side. I have no doubt there are just as many hon. members on the other side who would like to speak about the tax on radios and electrical appliances. But of course party followers just cannot do that.

Mr. GRAYDON: Might we have a little bit of order over there? It is not fair to the hon. member who is speaking.

The DEPUTY CHAIRMAN: Order.

Mr. MacNICOL: I know how hard it is to keep from talking. However it does not bother me at all; I can go ahead and say what I have to say.

The DEPUTY CHAIRMAN: Order. I would ask hon. members to refrain from talking when an hon. member is trying to make himself heard.

Mr. MacNICOL: I had just said that I am sure there are as many members on the government side as there are on this side who would like to comment about these taxes. I am sure the minister has had many conferences with his followers; but it is difficult for a government supporter to speak as freely as we on this side can speak. We are not tied down as are members on the government side of the house. I was on that side myself for five years, and it used to irk me to sit over there and say nothing, and not be invited to say anything.

I had just said that I agree with what has been said on this side of the house about the tax on refrigerators and other electrical appliances. It is going to be a great burden.

I should like to ask if the minister surveyed other ways in which he could have conserved all the money he required to conserve. I have in my mind just one item; and I believe I may make reference to it without being out of order. Last year we imported coal to a value of almost $150 million, and paid United States railroads about $75,000,000 to haul that coal to our border. That made a total of $225 million in United States money we could have conserved if we could have purchased that coal in Canada. I am not going to say we could have purchased all of it, but certainly we could have purchased a large part of it.

I have often wondered why ministers of finance—and I am not asking only the present one—have not been able to tell us why they are not allowed to arrange things so that

Canadians can use their own products. Had we used our coal, we would have saved a great amount of these iniquitous taxes. Perhaps that is not the right word to use; but they are iniquitous so far as the people who have to pay them are concerned. And it would have saved the minister a good deal of trouble in these troublesome times.

Then, may I say that motorcars are no longer luxuries to workingmen. For years governments have been encouraging working men to live outside the cities and to buy perhaps five acres or one acre of land. These workers have been encouraged to live within ten or fifteen miles of the cities, and thousands of them have accepted that suggestion. In those days there was no trouble about securing motorcars.

Look at the position they are in today. When I go home a multitude of workingmen come to see me and ask me how in the world they can buy new cars. Their cars are worn out, and they cannot pay the 25 per cent excise tax. They ask me what they are going to do, and state that they have been put out of the cities and they do not know how they will get to the cities to do their work.

The same applies to rural schoolteachers who live in towns throughout Ontario and drive out to the rural schools from those towns. I had one come to see me when I was home on the last occasion. He was wondering how he was going to buy a car, in view of the 25 per cent tax.

The same applies to the ordinary clergyman who has two or three field charges. I have had communications from them asking how they are going to buy cars and pay the extra 25 per cent tax. So I say that no longer can a motorcar be considered a luxury to anyone who has to make a living. Certainly they are not luxuries to the workingmen. They use motorcars because of necessity. I do not know whether it is too late to have the minister change his mind, but I for one believe that something should be done to help the ordinary man. I am not speaking about the rich man because he will buy a motorcar, no matter what it costs. I know many people have bought new cars at exorbitant prices and a 25 per cent tax means nothing to them. But to the ordinary everyday worker who perhaps has to go into the city to carry on his job or, if he lives in the city, has to go from one end to the other, a motorcar is not a luxury; it is an absolute necessity.

I have not taken much of the time of the committee when I could have taken up a lot. What is the use? These taxes are all in operation, but the amount of correspondence I have received and the number of people who have come to see me made me feel that I should speak. Having given this information to the government, I feel that I have done my duty and cannot do anything more.

Mr. GIBSON (Comox-Alberni): I hesitated to take part in this debate until I had an opportunity of listening to the accumulated wisdom of the members of the various oppositions and also the explanations that the minister has given. I feel that it is easy for an opposition to oppose a tax. In opposing this measure I do not want to be put in the position where I am opposing a tax because it is a tax and I know it will be unpopular with the people. I have supported many tax measures which the government has brought into this house and which I assume were quite unpopular. However I feel that this tax is in a particular category as far as unpopularity is concerned.

I am not going into the constitutional argument that has been advanced to the committee, because there are plenty of lawyers to take up that phase of the matter. However it does appear to me that the minister's explanation of the way in which this tax was brought in was unworthy of the brilliant talents which it is acknowledged the minister has. When the C.C.F. moved to throw out all the taxes it appeared to me to be a gesture that anyone in opposition could well afford to take. But I do not think the amendment moved by the hon. member for Winnipeg North Centre does justice to his responsibility as a member.

Despite what the hon. member for Davenport has just said about the necessity of a workman having a motorcar, I feel that the present taxes on motorcars are not particularly onerous. Anyone who can afford to pay $1,700 or $1,800 for a new car can afford to pay an additional $130. That payment will not make it impossible for him to carry on his job. I am quite sure we all feel that the government is justified in trying to keep out of the country these high-priced cars that, as a matter of fact, some of our hon. friends drive.

Hon. members in this house know the minister very well and I think we all have a great deal of confidence in him. I do not think the public of Canada have had the same opportunity to know him. With the constitutional crisis that has occurred in the democratic world as we know it, I am afraid that the public might be a little concerned about this departure from regular parliamentary practice in the introduction of these excise tax proposals.

Perhaps I may be forgiven for offering a word of advice. It seems to me that we in the house would have been glad to accept the minister's explanation of the urgent necessity that prompted him to bring in these taxes. If he had come before us and said, "I realize that this was an unconstitutional way of doing this and I regret the urgent necessity that made it necessary for me to bring them in"; I think if he had thrown himself on the generosity of the house all members would have been glad to give him a hand in support of his proposals.

I come now to the actual items of taxation. I know the minister is opposed to dirt just as much as he is opposed to sin. I think vacuum cleaners could well be left off and refrigerators also. If the minister made one or two minor concessions of that kind I am sure they would represent only a small reduction in revenue. I think if he came before us and proposed a 50 per cent excise tax on some of these items we would probably be glad to support him. Some of these things are definitely luxuries.

He put a 25 per cent impost at the manufacturers' level, but a 50 per cent tax at the same level would be just equal to the present luxury tax at the retail level on jewelry and that sort of thing. There are many things which would be more of a luxury than the wedding ring which many men have to buy. Those of you who are married know that is a necessary item, and yet we have been willing to pay a 25 per cent tax at the retail level. As I said, I think the tax on motorcars is all right. I was in Windsor the other day and they assured me that they had enough orders to keep them going for the next two years. I do not feel that this tax will be very harmful as far as that is concerned.

In closing, there is just one thing I want to say and this is not advice to the minister, it is advice to the government. The government is very conscious of the fact that they will be fighting two by-elections in British Columbia within the next couple of months. As I said last time I spoke, we are particularly sensitive about the fact that we have no cabinet representation. It has been pretty well assumed in Canada that at long last British Columbia, for the first time since confederation, is to have the ministry of fisheries.

Mr. CRUICKSHANK: The hon. member for New Westminster.

Mr. GIBSON (Comox-Alberni): The present incumbent of that position is a close personal friend of mine, a man of great personal charm. However I feel that his particular talents could be used by the government to better advantage in some other ministry, and I think he would be the first one to concede that point. I suggest that if the minister is going to put over these excise tax proposals with the voters of British Columbia, the best thing to do would be to have the Prime Minister appoint the hon. member for New Westminster as Minister of Fisheries. It would be one of the most popular moves the government has ever made, and I am quite sure the people of British Columbia would show their appreciation at the polls.

Mr. MACDONNELL (Muskoka-Ontario): Mr. Chairman, we have heard quite a lot about this resolution. We are getting near the time when we hope to adjourn for a space and no doubt there is much to be said for letting this go, though still unconvincing to the minds of many hon. members on both sides of the house. But the more I hear about it, the more it seems to me that the evils and difficulties attendant on it are set forth, and the less there is that satisfies me that it should be passed.

For a few minutes tonight I am going to look back and trace briefly the history of this resolution. Let us see what was originally stated to be the purpose, and let us see if that purpose seems to have been changed a great deal in mid-career. Finally, and much more important, let us see whether there is any likelihood of its achieving the purpose for which it was originally put forward, or indeed any other purpose.

I should like to turn back to what the Minister of Finance said in his broadcast in the middle of November last. After dealing with the embargo measure which we have already passed as Bill No. 3, he went on to say:

> Import restrictions alone will not be enough to keep down our use of goods which contain a high proportion of parts or materials from the United States.

I pause there a moment to point out that apparently there has been a very considerable change so far as that is concerned, because we now have goods on this list which have only a trifling proportion of United States parts. He went on:

> Many of these goods are produced on a large scale in Canada and we cannot properly limit and ration the imported parts and materials.

Incidentally no explanation has ever been given to my satisfaction why that is so. Incidentally, again, may I say it seems to me there is a considerable argument for using Bill

No. 3, which is now law, instead of this jumble of provisions which seems to begin nowhere and to end nowhere. He continued:

I am therefore proposing to use the same fiscal devices as we used during the war to restrict purchases of this type of goods.

I want to read a little more, and I ask the members particularly to notice what I shall read now to see whether it does not appear that there has been a considerable departure in outlook from the intention then set forth. I am not criticizing that. I am only saying it would look as if the bill is very different from what was in the mind of the Minister of Finance at that time. He went on:

The government will ask parliament to place an excise tax of 25 per cent on a wide range of these durable consumer goods, the purchase of which—

Note this:

—can normally be postponed by the average family if necessary and most of which are of a less essential character.

Listening to the debate this afternoon, it did not seem to me that many of the taxes come within that class at all. He went on:

This tax will apply to sporting goods, outboard motors, pleasure launches, firearms, oil burners, motor cycles, musical instruments, cameras, radios, phonographs and to most types of electrical home appliances.

That is what the minister said in November last. I now come to what he said in December last, and I read briefly from his speech on December 16. First of all I want to read this extract, in which, speaking of the special excise taxes, he says:

Their first and primary purpose is to discourage the sort of expenditure which adds to our imports from the United States.

I want to emphasize that. This was a measure originally put forward for the saving of United States exchange. It is unfortunate that the minister has had difficulty in getting the figures. We have not yet got them, but I do not believe it will be a very bad guess to say that those figures will show a very trifling saving in United States exchange. I say that for this reason. The minister felt at the outset that no figures at all could be got; but when I persisted, perhaps somewhat unduly, he was good enough to say he would get the figures. I must not say too much by way of anticipation; but I do not believe I would be wrong if I said that the minister will prove right to this extent, that when those figures are produced they will be of the nature which he himself prophesied, that they will not show any substantial saving so far. If they do not, it will not be surprising because, after all, bear in mind that the only direct saving of United States exchange has to come through a lessening of consumption of goods made in Canada which have United States components. There is precious little evidence yet of much falling off in the consumption of Canadian goods. Moreover we know that many of these goods have only a trifling amount of United States parts in them, some much less than ten per cent, some an even more trivial percentage. So I think we shall find that there is no evidence yet of any substantial saving in United States exchange.

I pass on to the minister's second reason, and always bear in mind that this reason was put forward in November and again in December as a measure for saving United States exchange. But evidently he felt that that would not be a sufficient reason, and there were several others. I now come to the second reason, and I think this is a complicated and difficult one. It seems to me to have two or three parts inconsistent with each other. I will read very briefly:

A second reason for these taxes was to limit so far as practicable the degree of discrimination against regular suppliers in the United States and their dealer organizations in Canada.

In other words, as under Bill No. 3, a great many goods were to be excluded from Canada either wholly or largely, because, as the minister says, it was felt desirable to ease the situation for those United States exporters who would be cut off from this market. That may be a laudable objective; but along with that the minister goes on to point out, and this is one of the means of arriving at his objective, that we must also prevent Canadian manufacturers of these goods from deriving too much benefit from the fact that United States goods are kept out of the market. That perhaps has something to be said for it; but the means taken are, I suggest, rather odd, and bear in mind that this has precious little to do except indirectly with United States exchange. The means taken is to put on this tax. The minister says this tax is put on so that Canadian manufacturers who otherwise, according to him, would have jacked up their prices by reason of the absence of United States goods will not be able to do so, or at any rate so that the first 25 per cent of such a rise in price will be by way of this tax which the government will get, and therefore the minister suggests that Canadian manufacturers will be prevented from deriving this very unfair profit. I hope myself that Canadian manufacturers would have done nothing of the kind. There is nothing to suggest that competition might

not have kept the prices down. In any event, the point I wish to make is this. In order to reach this questionable and quite illusory benefit, who is made to suffer? The Canadian taxpayer because he has this 25 per cent tax put on him.

Again let me point out where we are in the matter of having United States exchange. We have come to the point where the minister, in order to do what he deems to be fair to United States exporters who are shut out of our markets, puts on this tax.

Another point arises there which I think it is desirable to remember, and this leaves me so much unconvinced about this whole measure. As soon as you press the minister as to any one of his reasons, he immediately flits off to another reason, and the reason the minister has to do that is, I suggest, that this whole measure is a confused jumble. I said a moment ago it starts nowhere and ends nowhere. It is a hodgepodge of inconsistent and sometimes conflicting reasons.

The minister also brings the tax argument in here. If the price is going to go up, let us get it by way of tax, he says. I want to point out that this measure comes right back on the taxpayers and on a class of taxpayers who are very ill able to bear it. The minister I think recognizes that. I have no doubt that he is receiving very strong appeals from taxpayers, and that brings me to another argument.

The minister says: Oh, but we have to have an over-all surplus in Canada if we are to export goods abroad, and therefore we have to cut down consumption in Canada. Well, that may also be a very proper objective, but what I object to about this measure is this: Why does he select the people who are paying this tax to be the only people who are to be affected in this way? If we are to cut down consumption in Canada, why not do so in a very much more general manner? There is no justification whatever that I can see for dealing with the matter in this way.

We now come to the minister's fourth reason, and that is taxation. The minister finds himself in some difficulty because, on the one hand, he does not want us to regard this as a taxation measure, but on the other hand he suggests that the taxation will not be unacceptable after all; and in answer to the people who say that he has a huge surplus, he points out quite properly—I wish he would do so oftener—"Oh, yes, we have a large surplus this year, but we have been making large advances to overseas countries, as I have already indicated; and, on a cash basis, including those outlays, our income is only moderately in excess of our outlay." In other words, we have, first of all, the argument about saving United States exchange, which I believe will prove to be trivial in the extreme and utterly unwarranted. We have that as a reason for this measure—

Mr. HOWE: Nevertheless we have balanced outgo and income.

Mr. MACDONNELL (Muskoka-Ontario): You have been given such wide powers that you will be able to do it all. Isn't that the idea?

Mr. HOWE: You are complaining about what you demanded last summer that we should do.

Mr. MACDONNELL (Muskoka-Ontario): I am only complaining about the way you did it. You will see what happens now.

Mr. HOWE: We have done it. That is the important thing.

Mr. MACDONNELL (Muskoka-Ontario): I have referred to the combined provision for protecting the United States manufacturer from the effect of what will be done to him by the Minister of Trade and Commerce; the Minister of Finance apparently feels sorry for what the Minister of Trade and Commerce will do to the United States manufacturer, and so he takes a whack at the Canadian manufacturer. But as a matter of fact, the person at whom he is finally really taking the whack is the Canadian taxpayer, and that is what I think is so unwise and unwarranted in this bill.

Put it this way. Why put a 25 per cent tax on this small group of people who happen to be affected by these taxes, rather than a much smaller tax, if the minister feels it necessary, on the whole of the larger group? The minister said, and I rather respected him for saying it, that probably he had not gone far enough, that probably the austerity measures had not gone far enough. Well, we can all agree that the mess they got us into by the decision of June, 1946, is a serious one. We can all agree that drastic steps have to be taken.

There is a fifth argument the minister used. That fifth argument was that, while these prices were going up and while the tax would have to be added to what the people would pay, still it was useful as a deflationary measure, because it would help to mop up extra purchasing power which existed and in that way help to bring a cure. I see the minister's point there, but I feel that the people who are being subjected to this tax, if it were explained to them that they were being made the sacrifice in order to help to cure the mistakes of the administration in expanding our means of payment far beyond

what they should be expanded—if the people who are paying this tax were told that, I think they would be greatly surprised indeed.

I submit that this measure has been changed in various ways from the position in which it stood at the beginning. The minister has told us frankly that many changes had to be made, because they found that great distress was being caused in certain quarters, and those changes had been embodied in an amendment. It is quite true that has been done, and in the course of it certain other changes have been made which the minister has found it hard to explain. As a matter of fact, the hon. member for Fraser Valley took him on the other evening by reason of the fact that there are certain articles on which the tax is left when used for domestic purposes but on which it is not paid if those articles are used in a business.

That shows how this thing has to be chopped and changed so that the original basis has in many ways disappeared, and therefore we can doubt very much whether the minister is satisfied with it, or whether even he believes it is likely to do what it sets out to do.

Therefore, even at this late date, having regard to the evident fact that the government is quite uncertain as to what is wise or unwise in this; having regard incidentally to what the minister told us today, that they are still so uncertain as to whether the tax is imposed on the right people that they will retain in the bill the power to relieve certain other categories; having regard to all that, it seems to me it is very proper, even at this stage, for us to ask the minister to reconsider the whole situation.

We have a measure which it is stated is devised to save United States exchange. When you argue on that basis they go off on to several other bases. When the United States exchange argument will not hold good we have an argument about cutting down expenditures, which I have tried to indicate is wrongly dealt with in this bill. If the government are going to cut down expenditures, do not select merely this group of taxpayers, but do it in a more general way. And, so far as the United States exchange is concerned, let us remember that the government stubbornly refuse to take one of the remedies which we have advocated and which we think they will have to take one day, and that is to deal with the Canadian dollar and its value in a realistic manner. That would help the United States exchange situation.

For all these reasons, I still hope the government will see fit to withdraw a measure which is so unpopular, and, what is more important, so unwise.

[Mr. Macdonnell (Muskoka-Ontario).]

Mr. CRUICKSHANK: I rise tonight to explain my vote as I did a year ago in connection with the veterans affairs, and I sincerely hope I shall not have to explain my vote in connection with veterans affairs this year, because, if I have to explain it, it will not be satisfactory to the government.

In this connection, I spoke against the tax on frigidaires the other day. I spoke against taxation on what I call the poor man's automobile. I still think the Minister of Finance is wrong, and I still think he should take advice from some members of his own party in particular and, if not from them, at any rate from the House of Commons rather than from some of his officials concerning these taxation measures.

I had occasion to remark the other day, although this may not be agreed with by some people, that the hon. member for Comox-Alberni had made the best speech, in my opinion, so far as veterans affairs are concerned; I still think the hon. member from Comox-Alberni has made the best speech in connection with this bill, and he made it tonight with respect to the amendment.

I enjoy listening to the hon. member for Muskoka-Ontario, when I can hear him, and I appreciate his knowledge of subjects such as this. Unfortunately, however, he still thinks he is speaking to a little board in one of those vested-interests small committee rooms on Bay street, Toronto, because we cannot hear what he says.

I do not think the government is right in its taxation of frigidaires, nor do I think it is right in its idea of taxing lower priced automobiles. I have not had the privilege of owning a Cadillac, like some of my lumber friends. I think the government is wrong in its taxation of lower priced automobiles and it is particularly wrong in taxing such things as electric irons. The minister cannot justify to me the taxation of an electric iron, which is a necessity to the veteran's wife in this modern day and age. He cannot justify to me the taxation of kerosene or gasoline frigidaires for the use of the farmer's wife, living many miles away from electrical power.

Mr. ABBOTT: There is no taxation on kerosene refrigerators.

Mr. CRUICKSHANK: Unfortunately some of us in the far districts cannot always pick and choose. We must take what we can get. I suggest that if the minister had consulted some of the members of the House of Commons instead of some of the so-called advisers here he would not have committed the error in this respect.

I want to explain my vote in this connection. I believe that this so-called austerity program is in the best interests of the people of Canada as a whole. Whether we like it or not, we are in this position with regard to our foreign exchange. I am not as optimistic as are some hon. members from Ontario with regard to future prospects for gold. I believe this is the best program we could develop. Therefore I intend to support the government and I shall oppose the amendment moved by the hon. member for Winnipeg North Centre, who would always move an amendment about anything, even the weather. I am quite prepared to go before the people of my riding and justify my stand. I disagree with the policy of my friend, the hon. member for one of the suburbs of Winnipeg. I disagree with the policy of the minister and of the government in connection with frigidaires, particularly country frigidaires; I disagree with their policy with regard to low-priced cars; I disagree with their policy with regard to electric irons. But I have yet to hear from the other side of the house one suggestion as to how we could better meet the emergency situation in which we find ourselves at the present time. While I believe that the minister's policy has its faults and its mistakes, I believe it is the best policy we have with which to meet the situation.

Mr. KUHL: This afternoon when the hon. member for Temiscouata was criticizing the government for the policy involved in this particular measure, he made some reference to consistency and logic with particular reference to myself. I rather resented his remarks with respect to me, because I have always prided myself on being consistent and logical in what I say. If the hon. gentleman has any criticism to make of anything I have said in the past on economics or on the British North America Act, I suggest that he take the text of my remarks and indicate in what respect I have been inconsistent and illogical. I believe that the shoe is on the other foot. I think the hon. gentleman is the one who is illogical and inconsistent. On the one hand, he criticizes his party and the government for taxation policy and, on the other hand he does not suggest any alternative. Yet he has the audacity and the effrontery to ridicule and scoff at suggestions which emanate from this group. Furthermore, he indicates his inconsistency most definitely by voting opposite to the way in which he talks, when it comes to a vote. So, when it comes to a matter of consistency, I suggest that the hon. gentleman resort to a little introspection.

I think the only members of this house who have spoken logically on the principle involved in this particular bill and similar bills are the members of the Social Credit group. We have heard much criticism on the part of certain hon. gentlemen in the Liberal party; we have also heard a great deal of it from the Conservatives and from the C.C.F. But if they were in the seats of the mighty, what policy would they pursue? What would be their source of funds? What would be their method of attempting to achieve the results which the government alleges it is attempting to achieve? With regard to the Conservative party, I cannot imagine their using any different policies whatsoever from those which the government is using. They have not indicated that they have any other policy. If they are to reduce taxation in some respects, they must raise money by other means. Thus far they have not subscribed to the Social Credit way of doing it, and they have not any of their own. So I think they are certainly guilty of inconsistency as well.

I think the same reasoning can be applied to our C.C.F. friends. They moved an amendment this afternoon in an attempt to abolish at least one section of this measure, in order to reduce taxes which are being levied or which might be levied. But on the other hand, if they were in office and were managing the government, what would they use as a source of funds? How would they derive their revenue? So far as I am able to observe from listening to their statements, they would resort to taxation. They have not suggested any alternative. So whether, under their administration, they raise the money through this particular means or not, they would still have to resort to taxation. In advocating the policies which they have advocated, I cannot see how they can consider themselves to be consistent.

Therefore that leaves only the members of the Social Credit group who, in my opinion, have spoken consistently on this. All through the years we have advocated drastic reductions of taxation, even to the point of total elimination of dominion taxation. But we have not left it there. We have indicated an alternative for the raising of money.

Mr. ZAPLITNY: What is your alternative?

Mr. KUHL: I think the hon. gentleman knows it just as well as any of us who have made any remarks on the subject.

Mr. ZAPLITNY: I should like to hear it again.

Mr. KUHL: If the hon. member really wants to know, I will suggest to him that the

government, which has the supreme prerogative over money, is not obliged to raise any money by taxation. It has at its disposal the power to create and issue all the money it needs.

The DEPUTY CHAIRMAN: Order.

Mr. KUHL: All right, Mr. Chairman. I do not intend to launch into a discussion of money theories. I was just answering a question which the hon. gentleman put to me. But I repeat that I and my associates in the Social Credit group are definitely opposed to this measure. We stand for a drastic reduction of taxation, and we have indicated an alternative.

There is one aspect of the present situation which I think has not received the attention it should have received, namely, the positive side rather than the negative. The minister, his supporters and others have suggested that the objective of this measure is to curtail consumption. Why place so much emphasis on the curtailing of consumption? Why not look at it positively and consider whether we cannot do something more about stimulating production? That is an aspect which, according to my observation, has not received much emphasis during the course of this debate. I feel certain that one means of stimulating much production in this country is to reduce taxation. I am sure that every hon. member has heard farmers, workers and businessmen in general say that they would be glad to produce a little more but for taxation. What do we invariably hear? The farmer says, "Why should I raise my production when, as a consequence, I do nothing but pay more taxes?" The worker says the same thing, namely, "Why should I work overtime, bring my income up into the next bracket and penalize myself by so doing?" All the way through the whole economy we find that, as a result of taxation, there is a certain amount of discouragement of production.

Therefore I suggest that we place a little more emphasis on the positive side of our program and see whether we cannot do something by way of stimulating production, and thus provide ourselves with more goods with which to take care of the needs abroad and of ourselves. I think the best way to do that would be to remove those elements of our economic life which discourage production, one of which, in my opinion, is taxation. So I suggest that the policy involved in this resolution can do nothing but discourage still further the production of very much needed goods in this country. Therefore I, together with my

[Mr. Kuhl.]

associates, will oppose it; and I personally think the whole thing should be consigned to the nether regions.

Mr. McIVOR: I have a question to ask, Mr. Chairman, but I did not know whether I should put it in another form. We have been discussing this matter since before Christmas, and there has been a great deal of repetition. Even today the minister said more than once, "Again I say"; "I repeat", and so on. I know in the British house there is a way of dealing with this situation; and I am going to ask you, Mr. Chairman, if we have anything in our parliamentary laws or our procedure which will permit us to close off this debate and get on with other business.

Mr. SMITH (Calgary West): Mr. Chairman—

Mr. McIVOR: I think I should have an answer to my question.

Mr. SMITH (Calgary West): One reason my hon. friend does not get an answer to his question is that under our rules he cannot question the Chair, and that seems to deal with that matter. I am going to take only three or four minutes, which I am sure will please my old friend the hon. member for Fort William.

Mr. McIVOR: Thank you.

Mr. SMITH (Calgary West): My hon. friend was a much better soccer football player than parliamentarian. He never won a game playing football, so that will give the committee an idea of my estimate of his ability as a parliamentarian.

I am opposed to this resolution, Mr. Chairman, and I want to tell you why. When I listened to the minister on the evening of November 17 I could understand a good many things he said; but when he came to the matter of this excise tax I got lost. I have studied everything he has said since then and everything anyone else has said in connection with this proposal, and this idea struck me. I think it is elementary that if this excise tax merely raises the price of Canadian goods, that is inflation. If it fails and purchases do not continue, that means unemployment. I submit, sir, that today I am in exactly the same position. This thing can go in one of two ways, the one toward inflation and the other toward unemployment. Those of us who live in or have knowledge of the smaller places in Canada know the small businesses which have been wrecked by this measure, and in such cases it has meant unemployment.

I confess that in listening to the minister I heard two things with which I would be in agreement. One was that we could save United States exchange by an embargo on United States goods. The other was that to the extent we could supplant United States goods by the increased manufacture of similar goods in Canada, to that extent also we would save United States exchange. But if this tax means that we are to decrease that manufacture, then it goes straight against one of the things which the minister spoke of and which he had in mind at that time.

The other evening I asked the minister a few questions. I intend to paraphrase them this evening, if I may. I hope I may do so correctly, but if I fail in that I hope I may be immediately interrupted. The minister said he did not know now, after four months of the operation of the tax, whether or not it was in fact saving United States exchange. Then I asked when he would know, and he went farther and said he was in doubt that he would ever know, because his scheme was three-pronged and he was unable to separate the prongs. As you know, Mr. Chairman, there is a very well known instrument used on a farm, an instrument which is also three-pronged. The minister does not know whether he has a sheaf of oats on one prong and perhaps some rather less valuable product on the other. His whole attitude was that he could not tell whether or not this measure was in fact helping the scheme for saving United States dollars.

Therefore, sir—and I close with this—I take the position that I was right in my impression when I listened to the minister on November 17, that internally it meant inflation in one way, if people bought the goods, but that in the other direction it meant unemployment if it raised prices so high that people could not buy them. I still abide by that view; and now, having come here and heard the minister tell me he did not know whether or not this was helping to save United States exchange and that he did not think he ever would know, speaking for the people of this country who are paying these inflated prices, or who cannot buy because they are unable to pay the prices, I am opposed to this measure and will so vote.

Mr. ROSS (St. Paul's): I think it very appropriate, Mr. Chairman, that we should have heard this evening from a learned counsel who, through his early association with sports, acquired a great deal of common sense. I should like to draw to your attention the fact that "Sport" Smith and his brother played for the Thistles many years ago, and in his younger days "Sport" was the finest hockey player I knew. Anyone who is interested in sports is bound to acquire a wide range of knowledge—

The DEPUTY CHAIRMAN: Order.

Mr. ROSS (St. Paul's): All right, Mr. Chairman; I will get to the excise tax. On the other hand, my hon. friend the Minister of Finance over there never had the advantage of taking part in these sports, so that he was not in the same fortunate position. I say this though I am very fond of him and we are all very proud of him. It is too bad he has these strange ideas.

I now have one or two things to say about this.

Some hon. MEMBERS: Oh, oh.

The DEPUTY CHAIRMAN: Order. I am sure hon. members would like to get through with this matter tonight.

Mr. ROSS (St. Paul's): Yes, Mr. Chairman; I would like to get through with it as soon as possible, but it is very difficult when you have to deal with a fellow with such low intelligence as the hon. member for Cartier over there.

Mr. HARTT: Mr. Chairman, I rise to a point of order—

Some hon. MEMBERS: Sit down.

Mr. HARTT: On a question of privilege; I can answer you in your own kind. I ask the hon. member to withdraw that statement.

The DEPUTY CHAIRMAN: I would hope the hon. member would withdraw that statement.

Mr. ROSS (St. Paul's): I do not see anything to withdraw. But if the House of Commons thinks I am wrong in saying that, even though I meant it, I will withdraw it. So there you are.

Mr. HARTT: If he were sober he would not say that.

Mr. ROSS (St. Paul's): One reason I got to my feet tonight to say something was this, that it brings me back to radio broadcasting in Canada. The other night I listened to the radio where it was pointed out that there were two sides to this problem. There were some who thought we should devalue the dollar, and others who believed that the austerity program should not be continued. But the whole truth of the matter was not set out. That is what I am getting at.

We are not getting anywhere at the present time.

Mr. GRANT: Indeed we are not.

Mr. ROSS (St. Paul's): It has been said that these steps have been taken to save $27,000,000, but we are not told another factor which is worth considering. That is, that before we had this austerity program and before the dollar was revalued we had something like $280 million in United States funds coming into Canada. What happened? Well, the Imperial Oil Company has sold International Petroleum, and we now have $80,000,000 in United States funds coming in here. That is an interesting point.

The other point which we were not told was that when we revalued our dollar it cost $20,000,000 more in dividends. The minister shakes his head, but I tell him that it just cost us $20,000,000 more.

Mr. ABBOTT: I was not questioning the hon. member's figures. But I was going to say that we are on a resolution dealing with taxation, and I thought perhaps we should stick to it.

Mr. ROSS (St. Paul's): I shall come back to it in a second, but I must repeat that it cost us $20,000,000 more in United States funds. What is the minister doing? He is doing exactly what I said he would do. He wants to reduce production in Canada. That means unemployment. That is all I have to say.

Mr. KNOWLES: My remarks on this occasion will be brief.

An hon. MEMBER: Six times today.

Mr. KNOWLES: It would not have been necessary if what I moved before had been accepted. We in this group have stated our opposition to these proposed taxes, categorically. We sought to have a vote on the separate clauses before the committee. The house ruled that there are not six separate clauses, but that there is only one resolution before us. And as you, sir, have pointed out to me, that decision of the house must be accepted.

Following that, I moved an amendment to the motion then before the committee, suggesting that certain clauses of the one resolution be deleted. You, sir, ruled that amendment out of order, and at that time quoted from citation 500 in Beauchesne, third edition, on the ground that it deleted certain taxes without proposing any alternative.

I rise now to move another amendment which clearly meets the specifications you, sir, laid down when you ruled my last amendment out of order. At that time you quoted citation 500 from Beauchesne, third edition; and, incidentally, that is the same paragraph which the Minister of Finance and I were quoting from May, thirteenth edition, at pages 543 and 544. The sentence you emphasized was the following:

> Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the government, as, for instance, a proposal to substitute probate and legacy duty on real property as an alternative for an inhabited house duty, the necessity of new taxation, to that extent, being already declared on behalf of the crown.

I was interested a moment ago in the comment made by the hon. member for Comox-Alberni when he said he shared our opposition to these excise taxes but that he objected to what he called our irresponsibility in failing to propose an alternative. My amendment will meet that situation. It expresses clearly our opposition to the taxes, and it also expresses the sort of thing we feel should be done to keep the ways and means in balance.

I expect that some of my hon. friends in the house will not like the substance of the amendment, but even they will agree that it is clearly in order. Before moving it, there is one other comment I should like to make in reply to what was said by the hon. member for Temiscouata. When he spoke a while ago he said I was challenging the decision of the house. I did no such thing. I accepted, perforce—and I believe I used that very word—the decision of the house that we have before us one motion in various parts. That motion, as the hon. member for Temiscouata knows, is amendable.

Citation 335 in Beauchesne, third edition, reads:

> A motion may be amended: (a) by leaving out certain words; (b) by leaving out certain words in order to insert other words; (c) by inserting or adding other words.

The amendment I shall move is in line with part (b) of the citation I have just read.

I therefore move, seconded by my deskmate, the hon. member for Mackenzie (Mr. Nicholson):

> That clause 1 of the proposed resolution as amended and clauses 2, 3 and 4 be deleted therefrom, and that the following be substituted therefor:
>
> "That it is expedient to introduce a measure to impose taxation upon excess profits to the extent necessary to maintain the balance of ways and means."

Amendment negatived: yeas, 19; nays, 81.

The DEPUTY CHAIRMAN: I declare the amendment lost.

Mr. TIMMINS: In the original resolution there was included a tax on electric or gas refrigerators and also a tax on electric stoves. I should like to ask the minister why he relaxed the tax on electric stoves on December 8. There must have been some basic reason why the tax was taken off electric stoves. The fact of the matter is that the people who buy electric stoves are the people who buy electric refrigerators. To my mind there is discrimination in favour of one industry and against another when you leave a tax on one article and take it off the other. That is one incongruity.

The second incongruity seems to be in connection with one of the answers the minister gave me this afternoon in which he said that the tax was put on, as I understood him, so as not to permit production to rise in the Dominion of Canada upon goods with United States content, produced for export, beyond the confines of Canada. If it is the purpose of the resolution to block in a sense the production of too large an amount of goods in the country, that seems to be completely at variance with the remarks of the minister of external affairs at Winnipeg on January 23 last when he said that the purpose of the government was to create a genuine exportable surplus large enough to enable us to play our part in the recovery of Europe without having to resort to crippling import restrictions. To my mind the exposition of the matter given by the minister of external affairs and the exposition of this resolution given by the Minister of Finance do not jibe.

There is one other matter I wanted to bring to the minister's attention. The minister said on March 18, as reported on page 2373 of *Hansard*:

I have had numerous discussions with representative groups of car manufacturers, and radio manufacturers, because they are two of the larger groups. The car manufacturers do not claim that the tax has yet slowed down the consumption of cars. They tell me that they think it will. Whether they are right or wrong, I do not know. The same thing applies to the radio people. No one has contended to me that the sale of radios has yet been diminished.

I am sure all hon. members have received a memorandum from the radio manufacturers' association of Canada under date of March 5 last. I presume the minister has already read this release, but I should like to call his attention to section 6 on page 3 where it says:

In November, 1947, the last month prior to the effect of the new 25 per cent excise tax, the member companies of our association produced 103,000 radio receivers (not including export production) and reported sales for the same month totalling 102,000 radios. Substantial sales drops were noted in December and in January, 1948, the same companies sold only 39,000 radio receivers—a 62 per cent drop from November. This also represents a drop of over 40 per cent from the sales by the same companies in January of 1947.

Final figures for February sales and production are not yet available but indications are that still further drops have occurred and already there have been drastic cutbacks in factory production and employment.

I should like hon. members to note those last few words, "drastic cutbacks in factory production and employment." We shall have a vote on this matter pretty soon. The minister said a short time ago that he did not know of any drop in sales of radios, but here are figures given by responsible people.

Mr. ABBOTT: I am delighted to hear that the tax is doing what it was intended to do, but I do not believe that that is possible.

Mr. TIMMINS: There was a drastic drop of 62 per cent from November. I want to ask the minister whether the intention of this tax is to put the radio industry out of business or whether he ought not to regulate, first and foremost, a situation which could be alleviated in quite a different way from the manner in which he is doing it. I should like to quote a clipping from the *Wall Street Journal*, as follows:

The more one thinks of it the proposals to deflate buying and stop prices going up by increasing taxation are very dangerous ones. If the government increases taxation, it will spend the money it gets. It inflates its own costs with the avowed object of deflating others.

That is the very thing we are doing with this resolution. The minister must know by now that this is the most unpopular tax that has been before this house in a long time. It is not only unpopular in the house; it is unpopular in the country. I think, as a matter of fact, he is going to stifle the exportation of those products which we have been trying to build up production on, for a long while in this country. If he does not know it, then somebody should tell him right now, while we are dealing with this matter, that there has been a sloughing off of production and a sloughing off of buying in this country. In my opinion this will be considered one of the worst taxes we have had for a long time.

Mr. SINNOTT: I am reluctant to rise at this late stage, but I feel I would be remiss in my duty if I did not say a few words at this time. While I believe the measure itself has every indication of proving its value, there are some things in it with which I do not agree. I always believe that you can catch more flies with honey than you can with salt or pepper.

I want to make a personal appeal to the minister tonight with regard to refrigerators. If the minister would say to the committee that refrigerators were being taken off the list everyone in the house would let this bill go through.

A refrigerator is essential in the modern home. I know the minister has one and I know all the men who drew up the bill have refrigerators. Wherever electric power has been developed throughout the country, wherever it has been put through rural constituencies, wherever power is available, the people want refrigerators. They have been saving their money for a long time, expecting that their chance would come to get a refrigerator. They now find this tax imposed, which will make them pay $100 more for a refrigerator. That will not stop them from getting one because it is a necessity, but it is a mean tax and the people resent it terribly. A refrigerator, by keeping meat, butter, eggs and other provisions fresh, enables people to cut their living costs by ten per cent. I have made a personal appeal to the minister and he has promised to take the tax off as soon as possible. That is as far as he would go, but I hope that "as soon as possible" will come sooner than he anticipates.

Mrs. STRUM: Tonight I picked up a menu in the Chateau Laurier, a Canadian National hotel, and I found printed on it a notice "Excise tax 25 per cent."

Mr. ABBOTT: You must have been in the grill.

An hon. MEMBER: Dancing.

Mrs. STRUM: No, I was not dancing. I want to know by what authority meals are being taxed?

Mr. ABBOTT: That was the amusement tax imposed by my predecessor during the war in public eating places where there is music and dancing for guests' entertainment. In the dining room upstairs at the Chateau Laurier you do not pay the tax, but in the grill, where there is a delightful orchestra, you do. It is a form of amusement tax.

Mrs. STRUM: You should require a notice to be placed on the door outside: "If you eat here, you do it at your peril because there is a 25 per cent tax on meals."

Mr. ZAPLITNY: I should like to make one last appeal to the Minister of Finance. Unfortunately we on this side of the house cannot make personal appeals to the minister, so I shall not attempt that.

[Mr. Sinnott.]

Mr. ABBOTT: Why not? Some people do. I have no restrictions on personal appeals.

Mr. ZAPLITNY: This is a resolution which affects the public as a whole and is not the personal hobby of the Minister of Finance. It was introduced on behalf of the government, and so any appeals made in the house with respect to it should be made to the house.

I wish to make an appeal in relation to the second paragraph which deals with the taxation of automobiles. The hon. member for Fraser Valley this evening hit on something very sound when he said that the automobiles in the first category shown in the schedule, running from $1,200 to $2000—I take it that that is the manufacturer's price, because you cannot get a new car retail for anything like $1,200—

An hon. MEMBER: What kind of car do you drive?

Mr. ZAPLITNY: I do not drive any car but I am hoping to get one some time. Automobiles in that price range, from $1,200 to $2,000, are definitely what the hon. member for Fraser Valley termed the poor man's car. They are the cars the average person uses to carry on his livelihood. They are used by a substantial sector of our population, by professional people living in rural areas who have to travel long distances to carry on their livelihood, by preachers in the various churches who have to minister to outlying districts, by the small-town doctors and commercial travellers, by many schoolteachers who do not live where they teach. There is a very large proportion of our population who need an automobile to make their living. The minister has stated that commodities which are necessary for the earning of a livelihood or the production of other goods should not, as a general principle, be subject to the tax, and I think this is the time when an appeal should be made because, once the bill has been introduced, we know how difficult it is to have any of its details changed. Before the bill is introduced I think the minister should definitely give consideration to removing the excise tax from that class of automobile from $1,200 up to $2,000, which the person of average means uses, not for his own pleasure, but to make his livelihood.

We of this party have done everything we could to wipe out those sections of the resolution with which we disagree. At times we have had to resort to amendments but have not been successful in carrying them. The moment we were asked to state an

alternative by the hon. member for Jasper-Edson, we even obliged in that respect. We proposed an alternative and that was the reinstatement of the excess profits tax. I was glad that the Social Credit group voted with us and showed their consistency on that point. I was sorry to see our friends of the Progressive Conservative party did not see fit to vote for that amendment. It appears that they do not mind asking for a removal of the tax, but when it comes to taxing excess profits they can no longer go with the C.C.F., but from then on are with the government.

As I say, we have done all we could in this group. We have offered the government an alternative and a very practical one, because the excess profits tax would have fallen on people whom it could hurt the least, on those who are making more than regular profits.

The CHAIRMAN: Order. Excess profits are beyond the scope of this resolution.

Mr. ZAPLITNY: If that is your ruling, Mr. Chairman, I am very happy to bow to it.

Mr. POULIOT: I have two or three questions to ask the minister. An embargo has been put on certain United States products. A certain amount of customs duties was collected on these products in the year before the embargo was imposed. Can the minister tell the committee what amount of duty was collected on all these items now forbidden entry to Canada, during the year before the imposition of the embargo?

Mr. ABBOTT: That question came up under Bill No. 3, and I gave some information then as to importations in the previous year of the articles which are prohibited. I have not that information here on this bill, because this tax does not apply to those goods.

Mr. POULIOT: I understand that, since the government is being deprived of a certain amount of customs revenue on United States products which can no longer enter Canada, a 25 per cent excise tax was imposed on Canadian products as compensation for that loss of customs duty on United States goods.

Mr. ABBOTT: That was not the intention in putting it on. It was, as I have said, to deter the consumption of goods for a variety of reasons which have been discussed here a number of times. One of the principal reasons is to deter the consumption of goods which have an appreciable United States content.

Mr. POULIOT: This is my last word. I do not very well understand the imposition of this tax, but I will warn the minister again, and I will tell him that, while I am not opposed to all the officials of his department, I am opposed to some of them. I have not much support in the house when I complain in this regard, but it will be necessary before the next Liberal convention to have a spring cleaning among the top ranking officials of the Department of Finance, and I say that in all friendliness to the minister and to everyone in the government. It is time we had real Liberal policies, and we shall have them only when we get rid of some of the officials who were put there by the late Conservative administration.

Mr. JACKMAN: Exactly what is the situation now in regard to kerosene refrigerators? Were they taken off this list where the excise tax is and put in one of the other schedules?

Mr. ABBOTT: They were never included.

Mr. JACKMAN: We can still get kerosene refrigerators?

Mr. ABBOTT: I do not know whether kerosene refrigerators are made in this country. I do not think they are, although it is possible that some manufacturers may be able to produce them. I do not think they are made here. At present, importation is prohibited, but I have promised to give consideration to the setting up of a quota for that type of refrigerator under the other bill, Bill No. 3, because such a refrigerator is used primarily in rural areas where other refrigerators are not available.

Mr. JACKMAN: The case of kerosene refrigerators is very much the same as the case of motorcars. When one looks at the situation in regard to motorcars, one wonders that the government do not take a different attitude, particularly in view of all that they have said in connection with this proposed legislation. For a while, motorcars were like kerosene refrigerators, banned completely; but since November last the minister has finally arrived at a quota for motorcars. As I understand it, and if I do not have it correctly I hope the minister will let me know, there is a certain amount of United States exchange allowed to be used for the importation of motorcars. Am I right in that, that a certain amount of United States exchange is allowed for the importation of motorcars and parts?

Mr. ABBOTT: That is correct.

Mr. JACKMAN: Now that the government has settled the amount of United States exchange which shall be allotted for imported motorcars or parts, why does it still insist upon putting an excise tax on motorcars, ranging in the lower priced vehicles from 25 per cent to 75 per cent in the higher? The

minister has said that the purpose of the legislation is not to gather revenue for the crown, because it has already more revenue than it knows what to do with. The purpose is to save exchange. But here we have the government allocating exactly and precisely how much United States exchange shall be allowed for the importation of motorcars, so that whether people want to buy far more than would otherwise be available, they cannot in Canada because there is only so much United States exchange.

I have not heard explained to the committee just why the government still insists on using the excise tax, because it seems to me it has already made a restriction, when it saw fit, by allowing just so many United States dollars to be used for the importation of United States motorcars and parts. The result of the present regulations is that those who have the longest purses will be able to get motorcars, while those who cannot afford to pay these extraordinary taxes, the money not being needed by the government, will have to do without any kind of vehicle.

It does seem indeed that such a form of legislation, such a spirit behind legislation, is entirely wrong, because there are still many people who were overseas, who did not have a chance to get a motorcar, and now that they are finding their place in the business world, they would like to enjoy some of the facilities which the average Canadian citizen enjoys, but they find they are up against a 25 per cent tax as a minimum. I can see no reason for it and, as far as I know, the government has not advanced any satisfactory reason, because it has said that there is only so much exchange for the purpose of bringing in motorcars, and when that is exhausted you cannot bring in any more.

We find, therefore, that there will be a certain amount of unemployment created, even in the subsidiary motorcar industries, and that brings me to the larger field of these excise taxes and their effect on employment. There is hardly a town, hardly a hamlet in this country that has not suffered by reason of the excise taxes which the government has put on, and the sad part about these excise taxes, and the unemployment they create, is that in the great majority of cases the firms involved were new firms made up of veterans. These young men cannot now obtain the substance of their business, so that they have to close up; or if they take the word of the Minister of Trade and Commerce they may look upon these restrictions as of a temporary nature until such time as the government is able to bring its United States exchange account into better balance, and they may go to their banks and endeavour to get enough working capital to keep their shows going, hoping that each passing month may see the end of their troubles. As a matter of fact, those of us who are here and who have looked at the problem realize that the time is most indefinite, and when the minister mentions months he may have meant years. So that these young men who have started up business might as well have folded up and let their staffs go.

In one case a group of veterans from the navy and the air force had already 115 people employed. They were importing radios and other household electrical machines from the United States, and they found they were absolutely without any further source of supply when these bans became effective last November. They have had to go out of business, throwing out of employment nearly 100 people. Some are keeping on in the hope that they will eventually, in not too long a time, be able to start up in business again.

In the same city I am thinking of, another company that is severely affected by the ban on the importation of fresh vegetables and fruits had to let 250 people go because there is no volume now to be handled; when the summer crops of our own vegetables and fruits come in there will not be the men to handle the produce, and the cost of merchandising will go up substantially. All of these are strong reasons against the passing of these resolutions. As a matter of fact when one considers the taxes on motorcars alone, it must be realized that even on the cheapest four-door sedan car the excise tax is $268.05, and the sales tax on top of that is $85.78, or a total tax—without even the duty or any of the various other things included—on the cheapest four-door car in the country of no less than $353.83. To my mind that is a shocking burden to put upon the young man, particularly the veteran, who wants to get a new car. Most of the population were perhaps fairly well supplied before and, like the minister himself, may have the pleasure of driving a 1939 model, as I think he mentioned to the house the other night.

I feel that these excise taxes were put on for no other reason than to satisfy the feelings or the prospective feelings. I might even have called them, of the United States administration. We were careful, because of our requirements of vital products of the United States, not to offend them in any possible way. We have put on these heavy excise taxes and have caused unemployment and an increase in the cost of living in our own country. As a matter of fact, it would

be interesting to know, and I think before we close this debate, we should hear from the Minister of Finance in this regard, just what progress he is making with the United States government in regard to tariff regulations. I understand that, since we put on these excise taxes, the United States administration, when it comes to the payment of customs tariff, assess their customs rate against the Canadian price plus the excise taxes in Canada. This, of course, makes it prohibitive for the Canadian manufacturer to export to United States markets. We have already found that there has been a certain amount of tinkering or changing of the schedules, because the minister realizes that we just cannot put out of business many manufacturing concerns in Canada who would be able to export to the United States were it not for the fact that we have these excise taxes on here, and that United States officials, for tariff purposes, assess their duty against the Canadian price plus our excise tax.

We have seen what the administration here have done when they run into circumstances like that. They have withdrawn certain articles like golf clubs—and I think the minister mentioned one or two others the other evening—from the list of articles which would be subject to the excise tax. I think we should know about this. We have always looked upon our neighbours to the south as friendly and co-operative, and we hope that they are living in the spirit of Geneva just as we in this country are not only living in that spirit but are going farther and are extremely careful not to do anything to offend our neighbours to the south. I think we should have a clearance from that country, so that what little export we were doing in certain lines would not be completely obliterated because we now have a domestic excise tax. The minister should give some indication as to what progress has been made in Washington in that regard before we are asked to make any decision on this vital matter.

It has always been of great concern to me that neither the Minister of Finance nor the Minister of Trade and Commerce, so far as this committee has learned, has made any strenuous effort to increase the export of Canadian products to the United States. Certainly one would have felt that last June or July, when they saw the situation getting so desperate with regard to United States exchange, before they contemplated measures such as we have before us today they would have thought of alternative measures, and in particular would have endeavoured—both of them, I should have thought—to go to the United States to see if the United States government would not make it possible for that country to use about one-half of one per cent of its total national income for increased imports from this country. Then our whole problem of United States exchange would have disappeared. But we have had no indication whatsoever in regard to that.

The DEPUTY CHAIRMAN: Order.

Mr. JACKMAN: Quite so. I think I am in order.

The DEPUTY CHAIRMAN: The hon. member should deal with the resolution.

Mr. JACKMAN: I have the resolution before me. The resolution is that the excise tax be placed on certain articles set out in the schedule. The whole purpose of that resolution is in order to raise United States exchange or to prevent the use of United States exchange by Canadians. So I am suggesting that both ministers, in place of going to the United States just to borrow some money and to humiliate our country, might have done something in order to see if the people of the United States would not have taken more Canadian products; because, while they talk about full employment—and I think that is an expression they have used in this debate on a number of occasions—full employment is not necessarily the same as full production. If one has working everybody who could reasonably be expected to work, it is still possible to get more modern machinery. That is one of the things the manufacturers and industrialists of this country have been doing in the last two or three years. When we get more modern machines, we can turn out more goods and men are released to do other things. There are plenty of opportunities for them in a great variety of fields as the present time. Therefore I feel that the government have not handled this question in a way which was constructive but, on the other hand, have endeavoured to put Canadians out of employment. It made little difference to the government on whom they put these taxes, as long as they were not affected themselves. But if it were their ox that was gored, they would soon realize what the feeling is across the country from one end to the other. There is not a town or hamlet in which there is not a number of firms, particularly younger firms, which have not been disastrously affected by the excise taxes which are now before this committee.

Mr. MOORE: I should like to ask the Minister of Finance one question in connection with automobiles.

Mr. McIVOR: Just one question?

Mr. MOORE: Yes. In the *Financial Post* an article appeared recently which stated that one British automobile manufacturer could supply the total quota that Great Britain was allowed for manufactured cars. Since several British plants have been re-tooled to produce cars which would meet Canadian conditions better than they have in the past, will the minister consider increasing the British quota?

Mr. ABBOTT: That is under the other measure. That is under Bill No. 3, which we have already passed. I am not familiar with the quota situation with regard to British cars, but that comes under import restrictions which are imposed under the measure the house has already passed.

Mr. FLEMING: At this stage of the debate it would be presumptuous on my part to do anything that might appear to sound like offering advice to the minister. I know it would be rejected. But even at this stage I wish to offer the minister what seem to me sound reasons why, particularly in the light of things that have happened today and things that have been said this evening, he should withdraw this measure. The minister smiles. I want to assure him that in what I have to say tonight I am going to deal seriously with points he has raised in this debate, because I think they ought to be seriously answered. I am going to direct my remarks this evening, and they will be brief, to the minister in the hope that he will listen to reason even at this stage; that he will forget about matters of saving face and sit down deliberately and think about this measure in the light of statements that have come from his own side of the house tonight.

It is quite apparent that if hon. members on the other side were free to speak their minds on this matter it would arouse on the government side of the house such a tide of opposition to this measure that the minister would be compelled to withdraw it or face defeat upon it.

Mr. BERTRAND (Laurier): How do you know that?

Mr. FLEMING: In answer to my hon. friend the Postmaster General, I think enough members on the other side of the house have spoken tonight on this measure in rebellious terms to make it quite clear that they do not stand alone on this matter, that they are simply the more courageous of those who entertain rebellious feelings concerning this measure. Theirs are not simply voices crying in the wilderness, from the other side of the chamber. I for one am convinced, Mr. Chairman, that they do speak for many of the members sitting to your right in this chamber.

An hon. MEMBER: Speak for yourself.

Mr. FLEMING: I will speak for myself, and I will also speak my mind concerning the remarks of some who have spoken tonight. Surely this afternoon the minister had proof abundant of the utter unpopularity of this measure with his own supporters in this house; and he certainly has abundant proof of the unpopularity—yes, the unacceptability—of this measure throughout the country.

I said I would deal seriously with some points the minister has advanced in support of his measure. I do not propose to repeat what I said in this house recently on the constitutional aspects. At the conclusion of those remarks a week or so ago I was challenged by the hon. member for Halton, who in effect said that because I had confined myself to the constitutional, or rather the unconstitutional, aspects of the measure, therefore apparently I did not have any other objections to it. I assure you, Mr. Chairman, that I have an abundance of objections to this measure, any one of which, if placed before people who are free to express their minds, would be sufficient to condemn the measure.

First, what are the grounds on which the minister relies to justify an unconstitutional measure which seeks to increase the load under which the round-shouldered taxpayers of this country are groaning today? In the first place he says it will help the United States dollar situation. In the course of this debate the minister has had an abundance of opportunity to prove to this committee where and how any saving of United States dollars will be made, and he has utterly and completely failed to do so. It is not without significance that the minister had not one figure to bring before the committee as to the estimated saving of United States dollars. If, as the minister professed it to be, that was a principal objective of this measure, then certainly common sense and even the most elementary requirements of this House of Commons would have dictated that he must have some estimate of the saving in United States dollars to put before the committee in justification of this sweeping measure. We have debated this matter; we have asked questions and repeated them, and we still have to hear from the minister one word concerning the estimated saving of United States dollars. Think of it. Here we are, four months and more since the minister made his radio announcement on

November 17; and even at this late date he has no estimate of the saving of United States dollars this measure is said to be capable of bringing about. When will he get it? If ever there was a fine example of blundering on the part of a government, it is this. The minister says it will save United States dollars. Four months later he has not even an estimate of the quantity of United States dollars that will be saved. Can one imagine any more complete condemnation of this measure than that fact alone? Not one item of proof is brought before us that this will save a single United States dollar; but as a parliament we are asked to penalize the Canadian consumer and the Canadian producer, to take a jump in the dark because the Minister of Finance, without the slightest element of proof, says that somehow this measure will save United States dollars. If this House of Commons has not taken leave of its senses it will not heap these penalties upon the Canadian consumer and the Canadian producer, without some proof of benefit with respect to the saving of United States dollars beyond what we have heard so far.

So much for that argument. The next point advanced by the minister in his speech in this house on December 16, as reported at page 336 of *Hansard,* in effect was this: We do not want to do any harm to United States producers; we want to preserve a market for them here in Canada. These were his words:

> But by imposing these excise taxes we are doing something to protect the legitimate longer-range interests of these businesses.

What are these businesses? These are the United States producers and their dealer organizations here. He went on:

> While the Canadian manufacturers are temporarily relieved of competition from the United States, their unexpected advantage is being at least partly offset by the effects of the special taxes. Without these taxes, prices of many of the articles affected could have risen a good deal, to the benefit of the manufacturers and distributors.
>
> As a result of the taxes, it is the public treasury that benefits.

To me that is the most transparent exposure of the iniquity of this measure. The minister seeks to justify it on the ground that, while he is denying the Canadian consumer the things that consumer wants and has had hitherto, he will not permit the Canadian producer to step into the breach and fill the requirements of the Canadian consumer. "No", he says; "we will keep the Canadian producer out of the field. Why? Well, we do not want to hurt the United States producer. Therefore we will keep both the Canadian and the United States producer out of this field. The Canadian consumer can do without, or he can submit to the penalty of an additional 25 per cent impost. But we will give no benefit to the Canadian producer; we will treat the Canadian producer and the United States producer on a footing of equality in this respect." That is proof enough to me, Mr. Chairman, that this measure is worthy only of the condemnation of this house.

Then, as a third argument, and a sort of merry-go-round argument it is, the minister says: "Oh, we will use this fiscal method. We will drain off purchasing power by this added tax. We will slow down consumption." Let us analyse that argument. I call it an audacious argument. If that argument is sound in this particular, then surely it is sound in other particulars as well. So the minister is putting before the committee the argument that it is good government policy in times like these to soak the taxpayer, to make him pay money to the federal treasury so that he will not have money left to spend on the goods he needs. If that is a sound argument as applied to goods within the range enumerated in this resolution, then if this committee chooses to give its imprimatur to that argument we may be very sure the minister will take fresh courage and be prepared to apply this argument to other goods as well. Where do you stop with an argument like that? I say to the minister that measures of this kind, applied to a range of goods which include many downright necessities, are inflationary. The minister has not confined himself, in the enumeration before us, to those articles which are clearly of the luxury class. Far from it. Just look at some of them, and then let any hon. member say that these are not necessities for many Canadians.

Think of them! Irons! The minister says that the Canadian housewife can do without electric irons because they are not a necessity. "Go and heat your iron on a woodstove"—apparently that is the argument of the minister. He says to the Canadian housewife, "You do not need an electric iron. An electric iron is not a necessity for you."

Then, who will say that razors are not a necessity? Is the minister proclaiming a new fashion in Canada?

Mr. ABBOTT: Electric razors are not a necessity.

Mr. FLEMING: I should have thought electric razors were a necessity for some people.

Mr. ABBOTT: I have never used one, myself.

Mr. MITCHELL: The hon. member does not need a razor.

Mr. FLEMING: I cannot hear some of the remarks from hon. members over there. Let the minister rise in his place and say that electric toasters are not a necessity in Canada. How many Canadian housewives in areas where there is any electric current available are prepared to agree with the minister when he says that electric toasters are luxuries the housewife can do without? Let the minister stand up on a public platform in Canada and tell the housewives of Canada that electric toasters are luxuries they must do without. Let him have the courage to tell them that. He is saying to the Canadian housewife, "Just you buy an electric toaster, and I will levy a 25 per cent tax against you." And when that is done he tells us it is done in the name of draining off surplus purchasing power! Whose purchasing power is he draining off? Is it the purchasing power of the wealthy? No, it is not the wealthy who are suffering from this tax. If we have had any discriminatory measures before this House of Commons at the present session—and we certainly have had a number of them—this piece of legislation is the most discriminatory of them all. It is the rankest kind of discrimination against the people of small means.

Does the minister mean to tell me that the housewife who wishes to have a cheap electric toaster—not an expensive automatic toaster, but just a cheap electric toaster—is to be called upon by this government to pay a 25 per cent impost upon it. And he tells this to us in the name of directing the Canadian economy along paths which are in keeping with the government plan.

If the government is prepared to admit that it is embarking upon an era of planned economy, then here is apparently the first long step in the process. For my part, I do not want any of this government's planning of the affairs of the people of Canada, when the minister conceives it to be government policy, and a necessity on the part of the government, to say to the housewife who is already having a hard enough time to make ends meet, "If you want to buy a new toaster, even a cheap one to replace your broken toaster, I am going to charge you an additional 25 per cent tax on it, because I think it is good for you and also for the Canadian economy."

[Mr. Fleming.]

That is what the minister is saying to the housewife today. He says he knows better than the housewife how her dollar ought to be spent. And he says this is not an inflationary measure. What is it that causes inflation? Surely it is a situation wherein the supply of goods is not adequate to take up the purchasing power. How is the minister to justify this tax as an anti-inflationary measure? He puts these things beyond the reach of people who need them, people of small means.

These taxes are not confined to expensive articles. These are taxes which are applied to all articles of the kind, regardless of how dear or how cheap they may be. And to me, that is a complete exposure of the fallacy of the minister's argument in support of what he calls his fiscal policy.

The last argument the minister has dared to advance in support of this iniquitous measure is that the government can very well do with the revenue. Is it not amazing talk coming from this government which, for many months past, has been busy cheering itself and shouting from the housetops about the great surplus it has been rolling up this year? How did this surplus come about? Well, we shall have something to say about that at the proper time, as to whether it is a genuine surplus or not. But let us take it on the basis upon which the government has put it forward. It is boasting about having a surplus of three-quarters of a billion dollars in the first eight or nine months of the fiscal year. The minister says, in the face of that, "We can do with the revenue from this measure".

The DEPUTY CHAIRMAN: Order. I suggest that the hon. member confine his remarks to this measure.

Mr. FLEMING: I say most emphatically I am dealing with this measure. I am answering the argument put forward by the Minister of Finance in support of this very measure, when he said he could very well do with the revenue from it. We will find his words at page—

Mr. MITCHELL: I would suggest that the hon. member speak louder and address the Chair.

Mr. FLEMING: Mr. Chairman, I will speak as loudly as it is necessary in order to be heard in this chamber. I shall continue to address you, sir, and I suggest to the minister who has just spoken that for once he make a serious endeavour to abide by the rules of the house which call upon a member to rise

in his place and ask permission to ask a question, and not to blurt out these interpolations as he is doing. It has got to the point where no one takes his observations in the middle of a speech seriously any more.

Here is what the minister said. At page 336 of *Hansard,* dealing with this measure, along with other measures, he said, "At the same time, additional revenue will not be unwelcome." At a time like this, when the rank and file of the Canadian people are having a difficult time to meet the rising costs of living, and when they are having a difficult time to meet their tax burden, and at a time when the minister has been boasting from the housetops about his unprecedented budget surplus, how has he the temerity, I say, to come before the House of Commons of Canada to seek to justify an additional impost upon the ground that he can do with the additional revenue that it promises? Any minister of finance at a time like this who seriously puts before the House of Commons that argument, in purported justification of a demand for an additional impost upon the Canadian people, has forfeited any right to be taken seriously in the House of Commons in what he says.

Indirect taxes, again! We on this side of the house have been fighting against this crushing load of indirect taxes. This is the kind of tax which bears so heavily upon the consumer. This is the kind of tax which bears relatively so much more heavily upon the man of small means than upon the man of larger means. We fought that fight last year. We are going on fighting that battle over again for the small man in this country, against the attempt by this government to heap the load upon him. The small man may not see these hidden taxes which bear so heavily upon him. Here we have a government which has already this year taken out of the pockets of the Canadian people more than a billion dollars in indirect taxation. They like to do it, because they think the Canadian taxpayer does not realize how much he is paying in these hidden taxes. The money is coming out of their pockets just the same; and the Minister of Finance thinks that somehow these taxes will be so hidden in the price of the commodities the consumer has to buy that he will not notice the tax, and that he will not have any way of voicing his true opinion and his resentment against these additional levies.

The government policy, if you can say that this government has a policy at all, is just so shot through with contradiction that it is utterly impossible to rationalize what the government is doing. It is talking in one breath about the cost of living; we are hearing a great deal about how important it is that people should keep down prices, but here this government, by the most deliberate and barefaced act, is seeking to increase those prices, not by five per cent or ten per cent but by 25 per cent. It is a shocking demonstration of duplicity on the part of the government, a contradiction in every term. The government is contradicting itself. In one breath the government is talking about the desirability of keeping down the cost of living, and then the government turns around and, by its next act, adds to the cost of living with these iniquitous and exorbitant imposts.

We have been hearing something about inventory profits, profits that come about by reason of the advances in prices. Just a few days ago the Minister of Finance told this house in committee that he was aware that inventory profits had been taken by retailers on goods on their shelves which were within the classes enumerated in this resolution, even though the tax had not been paid upon them. Let this be known to the Canadian people throughout the length and breadth of Canada! He said he would not blame them for doing so. He said he would not blame the retailer for advancing the prices of articles on his shelves in these classes of goods by the 25 per cent, even though they had not paid the tax. He said he would not blame them, that it was all right to take an inventory mark-up in that way.

Do you realize, Mr. Chairman, what that means? The dominion Minister of Finance is saying to the Canadian retailer, "All right; go ahead; charge up your 25 per cent on the cost of these articles as you sell them over the counter to the consumer. It is all right; you have not paid the tax on them, but we are taxing some fellow farther back and by and by, some months from now, you may be getting some of these tax-paid goods on your shelves; but it is all right; put on your mark-up now." That is the very government which has been deprecating mark-ups by retailers in other respects, but approves them as long as they are related to this government's iniquitous tax.

Mr. ABBOTT: It has been standard practice ever since confederation.

Mr. FLEMING: The minister says it has been standard practice. I say to him that is the old story. Every time I pick up *Hansard* following my having said anything I find *Hansard* larded up with the interjections of the minister.

Mr. ABBOTT: That is the first interjection I have made in thirty minutes.

Mr. FLEMING: He puts his interjections on *Hansard* in contravention to the rules of the house. When I pick up *Hansard* the next day I find his quips on *Hansard*. He should either follow the rules of the house or just let us have a free-for-all discussion without regard to the rules of the house. It is just not fair for some to be compelled to follow the rules of the house, while the Minister of Finance regards himself as standing above all the rules of the house.

Let it be known that the Minister of Finance has condoned a 25 per cent mark-up on goods of the classes enumerated in this resolution as long as they were on the shelves of the retailer before the enactment of these taxes which were imposed by a radio announcement on November 17, whether the tax had been paid or not. The minister says it is standard practice. He knows it has been done. He was apparently aware that it would be done. He apparently approved it. I say to him that would cause any responsible minister to hesitate before imposing such an iniquitous tax, if he knew it would occasion inventory profits of 25 per cent.

Mr. BAKER: Is the hon. member trying to talk this out? We would like to know whether he is trying to delay the legislation or not?

Mr. FLEMING: I know the hon. member and I think his question is quite unworthy of any hon. member in this house.

Some hon. MEMBERS: No.

Mr. FLEMING: I think he knows me well enough to know that I am perfectly serious in what I am doing. I shall certainly finish before eleven o'clock. If there are a few more interruptions I am quite prepared to answer them, but those who make the interruptions or cause them to be made must take full responsibility for the length of time consumed in making necessary answers.

You require no further proof of the utter irresponsibility of a measure of this kind, the utter iniquity of the imposition of a tax imposed over the radio than the fact that the minister has changed these most illegal taxes. Taxes have been removed from some of the original classes, just because the minister has waved his hand and said, "They are off." Then he says to the people, "You can get the taxes back." How are the people who paid these taxes or who paid the inventory mark-up to get them back? How many purchasers will be able to go back to the retailers and give proof of having paid this 25 per cent? It might be all right in the case of a small store with a small clientele, but it would be quite impossible in the case of large stores. People do not keep track of these things. They did not know that they would have an opportunity of going back and collecting this 25 per cent tax. They did not know that the minister would change his mind and see in part the folly of his ways. I wish he had seen it completely. The whole thing has just thrown Canadian business into a turmoil so far as the classes of goods enumerated in this resolution are concerned. This is my final word.

Some hon. MEMBERS: Oh, oh.

Mr. FLEMING: If hon. members opposite knew how they encourage me, perhaps they would not be quite so vociferous.

Mr. MITCHELL: Only ten minutes more.

Mr. FLEMING: My final word to the Minister of Finance is this. He may feel that there is a question of personal prestige or face involved in his standing subbornly on this tax. I wish to assure him as one who, I think, is giving him better counsel than a lot of people around him, that he will be a bigger man in the eyes of the Canadian people if he comes forward now and admits his mistake and withdraws this tax. The minister knows that such withdrawal would be received with acclaim throughout the length and breadth of Canada.

If the minister persists stubbornly in the imposition of this tax, this tax which has been conceived in illegality, which has been levied illegally, which has been exacted at the expense of the constitution and extorted from the people of Canada, then I tell him that this government and the minister will be sorry for it one day. The best advice that anyone can give to the Minister of Finance today is that he forget about questions of personal prestige or political face and stand up courageously and manfully, and withdraw this resolution.

Mr. ROSS (St. Paul's): Mr. Chairman, I rise on a question of privilege. Unfortunately when I was speaking a little earlier in the day I did not have my hearing aid with me. I appreciate the fact that there are many members on both sides who speak so that I cannot hear them. I said something to the hon. member for Cartier. I said to him that I was speaking in a way that he probably would not understand what I was saying because of average intelligence and so on. You drew my attention to the fact that I should not have said that. He drew my attention to the fact that I should not have said that. I do not

think I should have said that. On the other hand, I do not think the hon. member for Cartier is a gentleman. He said something which I do not think any member of the house should say.

The DEPUTY CHAIRMAN: Order. The hon. member will have to withdraw that remark. It is not in order to call another member not a gentleman.

Mr. ROSS (St. Paul's): I do not think he was.

The DEPUTY CHAIRMAN: The hon. member will withdraw that remark.

Mr. ROSS (St. Paul's): No, I do not think I should withdraw it. It is my own thought and I expressed it.

The DEPUTY CHAIRMAN: I must ask the hon. member to withdraw.

Mr. ROSS (St. Paul's): If the chairman thinks that the hon. member is a gentleman, I withdraw my remark, but I cannot help having my own opinion. On the other hand, Mr. Chairman, I think you should call the hon. gentleman to order for saying that I would not have said what I did if I had been sober. I leave it to the house that I made a fairly good speech and that I could not have made the argument I did if I was tight or drunk. Therefore I ask the hon. gentleman to withdraw his remark.

Some hon. MEMBERS: Carried.

Mr. ROSS (St. Paul's): Withdraw.

The DEPUTY CHAIRMAN: I think the hon. member for Cartier should also withdraw the statement he made.

Mr. HARTT: Mr. Chairman, on your ruling I take the word of the hon. gentleman and withdraw.

Mr. DIEFENBAKER: Mr. Chairman, I am sure that you will have noticed the great anxiety shown by my hon. friends on the other side of the house in the last few minutes to come to a vote. This afternoon they had an opportunity to be here to vote, and they did not show very much desire to be here and vote. Having regard to what occurred this afternoon, I do not think it is out of place at this time to discuss in general this resolution and to put to the minister some questions that still remain unanswered.

I have not taken part in this discussion, but one matter I did want to bring to the attention of the minister has to do in general with the excise tax. I refer particularly to the excise tax on tobacco and, in particular, to tobacco that will be exported within the next few months to Europe and the continent under the Marshall plan.

Mr. ABBOTT: There is no reference to that in this resolution.

Mr. DIEFENBAKER: No, but I intend to ask that it be included. The situation today in so far as the tobacco industry is concerned is that in 1947 in this country 98,146 acres of tobacco were grown, with a total production of 90,360,000 pounds. On that tobacco there is, of course, a very great excise tax. I am not rising for the purpose of taking up any extra time but I want to bring this to the attention of the minister. I recently visited in that part of Ontario where the tobacco industry has advanced by leaps and bounds within the last few years. My understanding is that this year there is a possibility that there will be a production over and above what will be consumed in Canada or be exported. Having regard to the fact that, under the Marshall plan when it comes into existence, purchases will be made in Canada for export to Europe and that one of the things greatly desired in Europe is cigarettes, my suggestion with a view to increasing production in this country is that the minister should make provision whereby, in so far as exports of tobacco are concerned under the Marshall plan to Europe and generally to other parts of the world where the plan will be applied, the government of Canada remove the excise tax from such exports. That would give encouragement to the production of tobacco in this country.

Mr. ABBOTT: There is no excise tax on exported tobacco.

Mr. DIEFENBAKER: I appreciate that, but I am speaking of cigarettes produced in Canada and exported in that manner.

Mr. ABBOTT: There is no tax imposed on that.

Mr. DIEFENBAKER: I have the authority right here before me when the minister says there is no tax.

An hon. MEMBER: Eleven o'clock. You made it.

Mr. DIEFENBAKER: That remark of my hon. friend is entirely unwarranted. I would not have expected it from him, but I know that at this time of night remarks are sometimes made that we would not make at other times.

The DEPUTY CHAIRMAN: Just before I leave the chair, may I recall that the hon. member for Fort William asked a question this afternoon in regard to the rules in the British house, and I think I should tell him what the rule is there. It will be found in Beauchesne's Parliamentary Rules and Forms, paragraph 287, which reads:

> Mr. Speaker, or the chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance, or tedious repetition either of his own argument, or of arguments used by other members in the debate, may direct him to discontinue his speech.

That is standing order 19 of the British House of Commons.

Resolution stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. BRACKEN: What will be the business tomorrow?

Mr. ST. LAURENT: It is the intention of the government to carry on with this resolution and with the other stages of the measure just as expeditiously as the rules of the house permit. If, in spite of what took place today, that should be accomplished before the end of the day tomorrow, the next measure to be taken will be the resolution of the Minister of Finance to remove the tax on tea and coffee. That resolution was dealt with and progress reported on December 19, as appears at page 536 of *Hansard*. If and when that is disposed of we shall proceed with the second reading of Bill No. 171, to amend the Agricultural Products Act, and after that with interim supply and supplementary estimates.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, March 23, 1948

The house met at three o'clock.

FLAXSEED

ANNOUNCEMENT OF PRICE FOR 1948-49 CROP YEAR

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I wish to make an announcement concerning the 1948 crop of flaxseed. The government has been advised that to meet our domestic requirements we can do with a somewhat smaller acreage of flaxseed than was sown last year. There are some definite signs of easing in the world situation on oil bearing seeds and distinct possibilities that we will no longer have the serious shortage that we have been facing for the past several years. With this changing situation in mind, it has been decided that the Canadian wheat board will be instructed to support prices of $4 per bushel for the top grades of flaxseed, basis delivered at Montreal or basis in store at Fort William/Port Arthur for the 1948-49 crop year commencing next August 1, should the market drop to that level. On the same date, the wartime prices and trade board ceiling of $5 per bushel will be removed, thus permitting buyer and seller to trade freely at prices above the support levels. In any event, the producers sowing flaxseed this year will be sure of a price not less than $4 per bushel for top grades.

FLOOD CONDITIONS

QUESTION AS TO FEDERAL RESPONSIBILITY

On the orders of the day:

Mr. J. T. RICHARD (Ottawa East): I wish to direct a question to the Minister of Public Works. It has to do with the flooding in the Rideau river district. In view of the fact that the government now owns the riverfront from Rideau falls to Hog's Back will the minister state (1) what assistance has been offered in the past to the adjoining municipalities to prevent floods; and (2) whether his officers have studied the responsibility of the dominion government to assist in the prevention of floods on the Rideau river, and its liability therein, especially in the case of an emergency?

Hon. ALPHONSE FOURNIER (Minister of Public Works): I will take this question as a notice and will give full answer tomorrow. I shall have to look over the files to see if this is a case under the jurisdiction of the federal government.

Mr. COLDWELL: I should like to ask a supplementary question. In view of the widespread damage from floods, will the minister give consideration to trying to enter into some form of co-operation with the provincial governments with a view to taking effective steps for flood control, inasmuch as we have some responsibility for navigable waters?

Mr. FOURNIER (Hull): It is admitted that the federal government has no jurisdiction in these cases. There is only one statute which gives us jurisdiction, and that is the Navigable Waters Protection Act. We are ready to consider any situation, but at this time I would not want to commit the government to any obligation in this respect.

Mr. COLDWELL: I simply asked for co-operation.

Mr. SMITH (Calgary West): I should like to ask a supplementary question in view of what the minister has just said. The federal government has rights with respect to navigation through the placing of dams across rivers. I do not think it can escape its responsibility for flooding caused by dams put in these rivers by its authority.

Mr. FOURNIER (Hull): Whenever floods are caused by federal works, there is a responsibility. But in the instance cited this afternoon it is not established that any works which the federal government has constructed are the cause of these floods.

Mr. GRAYDON: May I ask a supplementary question of the Minister of Public Works? Will he be kind enough, when he makes a statement tomorrow with respect to flood responsibilities of the federal government, to include in the report a statement regarding the situation in connection with the Etobicoke river?

Mr. FOURNIER (Hull): We have looked into that question with respect to the condition at Etobicoke river and other places, and there is absolutely no federal jurisdiction in

connection with them. That is the information that comes from my department. I understand it is exclusively a matter of provincial jurisdiction.

Mr. GRAYDON: The Grand river, which would be in a somewhat similar situation to that of the Etobicoke, is the precedent upon which the people in my part of the country are basing their claim.

Mr. FOURNIER (Hull): The scheme in connection with the Grand river was entered into by the federal government, the provincial government and the local municipalities during the depression years. During those years moneys were spent by the federal government to relieve unemployment, and we did enter into an agreement with the province of Ontario and with the municipalities and made an expenditure of over one million dollars. This scheme is being continued from the point of view of surveys for future works, but no similar agreement was signed or entered into by the federal government with regard to the Etobicoke and their problems. I understand that application was made some time ago by these municipalities to the province, but to my knowledge actually nothing has reached the Department of Public Works.

UNEMPLOYMENT INSURANCE

QUESTION AS TO DELAY IN PAYMENT OF BENEFITS

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I should like to direct a question to the Minister of Labour. As municipal welfare departments are receiving many applications each day for public assistance from unemployed persons during the time that these persons are waiting to receive their first cheque from the unemployment insurance commission, and as the minister knows this welfare is charged one hundred per cent to the municipality, this is the question: Will consideration be given by the commission to shortening the delay in the payment of the first cheque to a waiting period of six days instead of the present waiting period of nine days, during which time no payment is made of unemployment insurance benefits?

Mr. SPEAKER: Order. The hon. member should not make a speech.

Hon. HUMPHREY MITCHELL (Minister of Labour): The hon. member need not finish it. I can answer the question.

Mr. FRASER: I have another question. Has the dominion government considered increasing these unemployment insurance benefits owing to the increased cost of living?

[Mr. Fournier (Hull).]

Mr. MITCHELL: The hon. member has stated the position correctly. Of course, the responsibility for unemployment relief is that of the municipalities and the provinces. At the moment amendments to the Unemployment Insurance Act are being studied by my department and an announcement of government policy will be made in the usual manner.

NATIONAL DEFENCE

ESTABLISHMENT OF CANADIAN RANGERS AS CORPS OF CANADIAN ARMY

On the orders of the day:

Mr. HOWARD C. GREEN (Vancouver South): I should like to direct a question to the Minister of National Defence. Press dispatches of the last day or two indicate that militia ranger units are to be established in northern Canada. Will the minister make a statement with regard to this proposal and indicate whether or not that will include northern British Columbia?

Hon. BROOKE CLAXTON (Minister of National Defence): I should like to have had time to get full information for the hon. member. Speaking from memory I can say that last April when I was in Vancouver I announced the formation of the Canadian rangers as a corps of the Canadian army, to be organized on the general pattern of the Pacific coast rangers during the second world war. The intention is that this corps shall be organized in companies in areas where there are no reserve army units, particularly in the north and along the coasts of Canada. The purpose will be to act as guides, to make available local knowledge, to assist in search and rescue work, and to report any activities that should not be going on in consequence of action by an enemy, or the like. These men in the Canadian rangers will be issued a rifle, bayonet, belt, and some ammunition, and they will have training in their companies in line with the kind of work they are intended to do. In this way it is hoped to supplement the work which the reserve army units do in the more organized centres of population.

R.C.A.F.—PRESS REPORT AS TO FIGHTER STRENGTH

On the orders of the day:

Mr. E. B. McKAY (Weyburn): I wish to address a question to the Minister of National Defence, a copy of which I sent to his office. In view of the large expenditure of public money on the R.C.A.F. would the minister state whether or not the article which appeared in the Ottawa *Citizen* on March 20 last is a statement of fact, namely "Not one

fighter ready for action—Canada woefully weak on land and in the air should war come again."

Hon. BROOKE CLAXTON (Minister of National Defence): The statement as quoted by the hon. member is not in accordance with the facts.

BUILDING OF HIGHWAY FROM BORDER TO CHURCHILL

On the orders of the day:

Mr. RONALD MOORE (Churchill): Mr. Speaker, I should like to ask a question of the Minister of National Defence. Can the minister state whether recent reports in the press that an all-weather highway is to be constructed from the United States border to Churchill, Manitoba, are correct? If so, is the road to be built by the Canadian government, the United States government or jointly by both.

Hon. BROOKE CLAXTON (Minister of National Defence): I have no knowledge of any such road. I should think it might be a matter for the provincial government.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION —REVISED INCOME TAX ACT

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): Can the Minister of Finance give us any indication as to the date on which the budget will be brought down, and also when he proposes to introduce the revised Income Tax Act and get under way in that matter?

Hon. DOUGLAS ABBOTT (Minister of Finance): I am afraid I cannot give any indication as to when the budget will be brought down. My time so far has been taken up with other matters, with which the house is familiar, and I have not been able to give the consideration to budget matters that I should like to have given to them. I am hoping, however, that I shall soon be able to turn to that important phase of my activities.

On the question as to when the revised Income Tax Act will be brought in, I cannot say definitely. I had tentatively thought of bringing it in after the presentation of the budget, either incorporating in it the budget provisions, if that is desirable, or otherwise, but I am not in a position yet to say definitely when I can bring it in.

Mr. MACDONNELL (Muskoka-Ontario): With regard to the Income Tax Act, does the minister think that if it is brought down as late as that, having regard to the complexities and the difficulties involved, it will be possible to pass it during the present session?

Mr. ABBOTT: I would hope so. We are still receiving some important representations in connection with it and are doing a good deal of work considering those representations and considering what changes if any should be made.

Mr. FLEMING: May I ask the Minister of Finance a supplementary question as to the matter of procedure in connection with the new Income Tax Act? Has the minister considered referring the bill to one of the standing committees of the house—for instance, to the committee on banking and commerce—so that representations of interested organizations can be made with regard to it?

Mr. ABBOTT: Yes, the question of doing that is still under consideration. No decision has been made.

IMMIGRATION

PRESS REPORT AS TO APPLICATION FOR AUTHORITY TO BRING IN BRITISH SEAMEN

On the orders of the day:

Mr. DANIEL McIVOR (Fort William): I would like to ask the Minister of Labour if there is anything in the report which I have noticed published in the press that Captain R. Scott Misener, of Port Colborne, who is head of two shipping companies, has applied for authority to bring five hundred British seamen into Canada. I have information which indicates that there are quite a number of Canadian seamen now unemployed.

Hon. HUMPHREY MITCHELL (Minister of Labour): The dominion authorities have no knowledge whatsoever of an application—

Some hon. MEMBERS: Oh, oh.

Mr. MITCHELL: Just a minute.

Mr. GRAYDON: Kindly address the Chair.

Mr. MITCHELL: What kind of meat do they raise these fellows on?

An hon. MEMBER: Raw meat.

Mr. MITCHELL: The dominion government has no knowledge of an application by Captain Scott Misener for the admission of five hundred British seamen. But it should be pointed out and clearly understood that there is perfect freedom for people from the British isles to enter Canada provided they comply with the usual regulations. In addition, I would say to my hon. friend that, as he well knows, this is a seasonal industry and

I would assume that unemployment among seamen will clear up as soon as the ice disappears from the lakes and transportation is resumed in the normal way.

WAR ASSETS

DISPOSAL OF BUILDINGS AT PRINCE RUPERT

On the orders of the day:

Mr. H. G. ARCHIBALD (Skeena): I should like to ask a question of the Minister of Trade and Commerce, of which I have given notice. If the agreement which Mr. Kenneth Meek made regarding the American built installations at Prince Rupert is not fulfilled by March 31, will the government agree to consult with civic bodies as to their disposal?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): If the present option is not exercised, the property will be disposed of following the usual practice of War Assets Corporation.

WHEAT

REQUEST FOR STATEMENT ON INCREASE IN INITIAL PAYMENT

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): I should like to ask a question of the Minister of Trade and Commerce. I have not sent notice, because he does not need notice for this question. In view of the fact that Bill No. 135 has been passed, is the minister prepared to make a statement to the house as to what the increase in the initial payment on wheat will be?

Mr. POULIOT: It has not passed yet.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): To the best of my knowledge and belief it is far from passed.

Mr. BENTLEY: What was the answer?

Mr. HOWE: To the best of my knowledge and belief the bill in question is far from having the approval of parliament.

COMBINES ACT

STATEMENT AS TO PROSECUTION OF DENTAL FIRMS

On the orders of the day:

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker I undertook yesterday, in response to a question by the hon. member for Lake Centre (Mr. Diefenbaker), to give the house a statement today respecting the circumstances surrounding the recent dismissal by a Toronto court of the crown's case against members of an alleged combine in the dental supplies trade. Since the matter is still open to appeal and thus is or shortly may be *sub judice,* hon. members will not expect me to make any extended comment on the case at this time.

Following a report by the commissioner of the Combines Investigation Act, I referred the matter for prosecution to Mr. D. L. McCarthy, K.C., of Toronto, whom all members will recognize as one of the outstanding barristers of the dominion. He was ably assisted by two experienced Toronto counsel, Messrs. Peter Wright and D. A. Keith.

A charge was laid at Toronto against eighteen dental supply companies for conspiracy in undue restraint of trade. The trial began on February 23 and ended on March 18. The crown's case was based on more than five hundred documents seized under search warrant from the possession of the accused companies. No evidence was submitted by the defence, and after argument lasting almost three days the learned trial judge, the Honourable Mr. Justice Barlow, upheld the defence motion for a directed verdict and directed the jury to enter a verdict of not guilty.

Acquittal was not based on the information contained in the documents found in the possession of the accused companies, but followed the judge's ruling that the documents had not been sufficiently authenticated by the fact of possession, as claimed by the crown. According to the ruling, the crown should have proved specifically that the companies actually existed during the period of the charge, that the persons purportedly acting on behalf of them actually had authority to act, and that signatures of persons signing letters should have been proved by other evidence.

The eminent counsel acting for the crown proceeded with full confidence in the merits of the case disclosed by the documents and in the manner in which they were proved. Withdrawal of the case from the jury resulted not from inadvertence or unintentional omission on the part of crown counsel, but from a basic difference of opinion as to the rules of evidence to be applied.

In view of the importance of the matter and its possible implications affecting future cases under the Combines Investigation Act, I have asked Mr. McCarthy for a special report. Until I have received and considered it, I shall not be in a position to indicate what may be done by way of appeal or otherwise.

Mr. DIEFENBAKER: May I ask this supplementary question: After the crown's case had been concluded, is it not a fact that counsel asked to have the case reopened, as is

usual when technical proof is not forthcoming, in order to advance certain further proof to meet the objection raised?

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: And did not the judge refuse?

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: What reason did he give for refusing such an obviously just request?

Mr. ILSLEY: I have read the report of that part of the argument, and the reasons are there given by the judge. I would not however undertake to recapitulate them for the benefit of the house.

Mr. SMITH (Calgary West): May I ask this question arising out of the same subject matter—

Mr. GILLIS: Legal jargon.

Mr. SMITH (Calgary West): Did I understand the minister to say that they simply put these documents in, having produced them from the crown's custody, without an effort to prove the signatures?

Mr. ILSLEY: I was so informed, but I have not read the long transcript of evidence. I am informed that crown counsel based their case upon this proposition, that the documents were sufficiently authenticated by the fact of possession.

Mr. DIEFENBAKER: Is it not also a fact that they failed to prove that these were incorporated companies?

OLD AGE PENSIONS

PENSIONS FOR THE BLIND—REQUEST FOR STATEMENT OF POLICY

On the orders of the day:

Mr. J. O. PROBE (Regina City): I should like to ask a question of the Minister of National Health and Welfare. What is the present policy of the federal government in regard to sharing of costs with provinces in respect of old age pensions and pensions for the blind? How does the minister reconcile this policy with the proposals made to the provinces in August 1945?

Hon. PAUL MARTIN (Minister of National Health and Welfare): The hon. member has merely to look at the Old Age Pensions Act, which sets out the government's administrative policy. The government, unless it changes the act, cannot have a policy beyond the direction contained in the statute itself. The statute is quite clear, and I am sure the hon. member is familiar with it. I cannot add anything further at the moment.

Mr. PROBE: Would the minister comment on the second portion of my question? How does he reconcile the policy of the federal government with the proposals made to the provinces in August 1945?

Mr. MARTIN: There is no occasion for reconciliation.

HOUSE OF COMMONS

REFERENCES TO REMARKS IN DEBATE ON MARCH 22

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, may I rise on a matter of personal explanation? At page 2480 of *Hansard* for yesterday I am reported accurately as having stated that Your Honour had given a ruling and that your ruling had been supported by the house. I could not believe that you had not rendered a ruling, nor could I believe that if you had rendered one it would have been reversed by the house—which shows that truth and likelihood are two different things.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I rise to a question of privilege. Yesterday I had the presumption to ask the chairman a question in connection with a ruling and he courteously answered me at the close of the sitting after he had had time to consider it. The hon. member for Calgary West thought that I was out of order and that as I had not got an answer at the time I would not get one. He said:

> My hon. friend was a much better soccer football player than parliamentarian. He never won a game playing football, so that will give the committee an idea of my estimate of his ability as a parliamentarian.

For six years Wesley college never beat us, so I could not always have been on the losing team. I should also like to say that I did not seek his estimate of my ability as a parliamentarian and it has no more weight than the false impression it might make. I just take it as a gush of uncontrolled gas from Calgary West.

Some hon. MEMBERS: Order.

Mr. McIVOR: I forgive him and I thank him for the slam.

Mr. A. L. SMITH (Calgary West): On a question of privilege. May I say with respect

to my old and honoured friend that my remarks were meant to be facetious. If I have offended him in any way, either reasonably or unreasonably, I hope he will accept my apology, which I now tender to him.

MOHAWK AIRPORT

QUESTION OF DEMOLITION OPERATIONS

On the orders of the day:

Mr. G. H. STOKES (Hastings South): Mr. Speaker, I should like to ask a question of the Minister of National Defence. Is he now in a position to answer the question asked on Friday last with respect to the Mohawk airport?

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, the airfield in question had been declared surplus some time ago, and steps were being taken for its disposal. However several weeks ago I issued instructions that all similar steps for the disposal of naval, military and air properties which had been declared surplus should be suspended while the matter was being reconsidered. That is the situation today with regard to this property.

SASKATCHEWAN RIVER

INQUIRY AS TO CONSTRUCTION OF BRIDGE AT OR NEAR SASKATCHEWAN LANDING

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): May I ask the Minister of Public Works if the government through his department has given consent to the construction of either a low level or a high level bridge across the South Saskatchewan river at or near Saskatchewan Landing? If consent has been given for the construction of a low level bridge, is provision being made to safeguard future navigation of the river?

Hon. ALPHONSE FOURNIER (Minister of Public Works): Some time ago the government of the province of Saskatchewan applied for approval of a site for the construction of a bridge on the Saskatchewan river. This approval is required under the Navigable Waters Protection Act. The application was sent to our engineer in Saskatchewan and we have not received a report as yet. He was instructed to look into all the phases of 'his contemplated construction. I understand that if a low level bridge were built and later a dam were erected below the bridge which would raise the level of the river and perhaps cause damage to the bridge, the government might be responsible for such damages. Our engineer is looking into all phases and implications of this application and when we receive his report we will make a decision.

Mr. MacNICOL: Consent has not yet been given?

Mr. FOURNIER (Hull): Oh, no.

LABOUR CONDITIONS

TRADE UNION BILL INTRODUCED IN P.E.I. LEGISLATURE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask the Minister of Justice if he has received a copy of Bill 31 of the Prince Edward Island legislature, an act to amend the trade union act?

Right Hon. J. L. ILSLEY (Minister of Justice): I have not received it from the Prince Edward Island authorities but I received it from a delegation which informed me that it is a copy of the bill that was passed.

Mr. COLDWELL: Is the minister giving consideration to advising the lieutenant governor to reserve the bill or disallow it?

Mr. ILSLEY: It is not the intention of the government to take that very unusual course with respect to this bill.

WAYS AND MEANS

EXCISE TAX ACT AMENDMENT

The house in committee of ways and means, Mr. Golding in the chair.

1. Effective on and after November 18, 1947, an excise tax of 25 per cent is imposed on the following goods:

(a) The following electrical appliances: waffle irons; roasters; kettles; chafing dishes; juice extractors; coffee makers; toasters of all kinds; portable humidifiers; curling irons or tongs, hair dryers; permanent waving machines and spacers or clamps; rods and heaters therefor; razors and shavers; garbage disposal units;

(b) The following electrical appliances when adapted to household use: food or drink mixers; food choppers and grinders; irons and ironers; vacuum cleaners and attachments therefor; floor waxers and polishers;

(c) Electric or gas refrigerators or freezing equipment, and coils, condensing or compressor units, cabinets, boxes, evaporators and expansion valves therefor; all the foregoing when adapted to household or apartment use or when for use in places of entertainment, amusement or recreation, including rinks, auditoria, halls and clubs;

(d) Firearms except for military or police purposes;

(e) Outboard motors;

(f) Motorcycles, and all other two- or three-wheeled motor-driven vehicles including motors for attachment to bicycles but not including vehicles specially designed for carrying goods or for use by invalids;

(g) Projectors for slides, films or pictures designed for industrial or professional photographers' use;

(h) Toilet articles of all kinds (including combs, mirrors and brushes other than tooth brushes or shaving brushes the duty paid value or the Canadian manufacturer's selling price of which combs, mirrors and brushes is more than twenty-five cents each) and which items do not already come within any other item in schedule one of the said act.

2. That on and after November 18, 1947, the rate of excise tax on automobiles adapted or adaptable for passenger use with seating capacity for not more than ten persons each, imported into or manufactured or produced in Canada be increased from ten per cent to the following rates, namely, on automobiles valued at $1,200 or less, 25 per cent over $1,200 but not more than $2,000, 25 per cent on 1,200 plus 50 per cent on the amount in excess of $1,200; over $2,000, 25 per cent on $1,200 plus 50 per cent on $800 plus 75 per cent on the amount in excess of $2,000.

3. That on and after November 18, 1947, the rate of excise tax on phonographs, record-playing devices, radio broadcast receiving sets and tubes therefor, be increased from ten per cent to twenty-five per cent.

4. That on and after November 18, 1947, the rate of excise tax on cameras, photographic films and plates, projectors for slides, films or pictures, except those designed exclusively for industrial or professional photographers' use, be increased from ten per cent to twenty-five per cent.

5. That on and after November 18, 1947, electricity and gas used in dwellings be exempt from consumption or sales tax; and

6. That on and after November 18, 1947, the excise tax of one cent per pound on sugar, grape sugar, glucose, sugar syrup, corn syrup, etc., be repealed.

Mr. JACKMAN: I asked the minister yesterday if he would explain the government's reason for the imposition of excise taxes on motor cars, particularly in view of the fact that the government has set up a quota on United States exchange to be used for importations.

Hon. DOUGLAS ABBOTT (Minister of Finance): In the course of this protracted debate I have given that answer at least once, and perhaps more than once. In any event it is this: I do not feel that the direct import control under schedule III of the other bill will prove completely effective in controlling the output of motor cars in this country. I should like to see the domestic consumption of these cars further reduced. For that reason the tax is being imposed both on domestically produced motor cars and on the limited quantity which are being imported under quota.

Mr. JACKMAN: Am I to understand that the government is imposing the excise tax on motor cars, not as a means of saving or conserving United States exchange but for some sumptuary purpose that has not yet been explained to the committee? In other words, the minister admits that the excise tax on motor cars is not in any way a measure specifically designed to effect the conservation of United States exchange.

Mr. ABBOTT: I said that I do not believe the direct controls can be as completely effective as I would like to see them. Every reduction in the consumption of motor cars in Canada, whether domestically produced or not, does effect a saving in United States exchange, because every car contains a substantial United States content. In any event it contains steel which under present conditions is to all intents and purposes one hundred per cent United States content.

Mr. POULIOT: Mr. Chairman, I have just a word to say about this kind of legislation. I disagree with it but I will still give the minister the benefit of the doubt. However, this is the last time.

Mr. MACDONNELL (Muskoka-Ontario): The minister was going to give us certain information today?

Mr. ABBOTT: I undertook to give the information my hon. friend asked for in committee after second reading. I have some of it here now, although I have not had time as yet to look at it with the officials. It was obtained just this morning. We had to get in touch with the different producers. We are indebted to the manufacturers of automobiles and radios for this information. The departmental records show only the tax collected, and not the sales. In the case of motor cars the figures have been obtained from the three major automobile manufacturers.

I suppose these figures can be taken as indicative. They are all we have to date:

	1946	1947
August	$3,509,165	$9,628,833
September	3,769,068	14,050,530
October	6,267,877	14,596,409
November (1-17)	4,257,074 (estimated)	7,633,296 (actual)
November (18-30)	3,255,602 (estimated)	7,332,123 (actual)
December	6,748,604	14,584,093
	1947	1948
January	$7,965,121	$10,888,913
	1947	1948
February	$9,301,563	$8,970,820

On radios, using the same basis, August, September, October, November and December, 1946, and January and February, 1947, as contrasted with the corresponding months in 1947 and 1948, the figures are as follows:

	1946	1947
August	$ 613,712	$ 828,272
September	499,983	1,168,588
October	737,628	1,404,145
November	909,065	1,705,132
December	1,441,144	1,990,074
	1947	1948
January	1,086,779	786,742
February	987,049	713,239

Those are the only figures I have been able to get so far. They show, as my hon. friend will see when he studies them, a marked downward consumption in January and February, both in automobiles and in radios.

Mr. MACDONNELL (Muskoka-Ontario): Those are the sales figures?

Mr. ABBOTT: Yes, as obtained from the manufacturer.

Mr. MACDONNELL (Muskoka-Ontario): Has the minister attempted to get a figure showing what those sales figures mean in terms of United States exchange?

Mr. ABBOTT: I have not attempted to translate them into terms of United States dollars. I do not know that I could. These items contain a substantial United States content. In automobiles it varies between different cars. In the Ford car the Canadian content is about the highest, approximately 75 per cent. Steel is one of the big items. Some of it under normal circumstances might be considered as Canadian content, but under existing conditions we have to import large quantities of steel.

Mr. JAENICKE: Are the figures just quoted domestic sales, export sales, or both?

Mr. ABBOTT: Domestic sales only.

Mr. JAENICKE: Has the minister any figures on the export sales?

Mr. ABBOTT: I was not asked for them and have not got them here. The manufacturers were good enough to supply these figures on fairly short notice. I have no doubt the export figures could be obtained.

Mr. MACDONNELL (Muskoka-Ontario): It would seem to me, and I imagine the minister will agree, there is nothing in the figures given to indicate any substantial saving in United States dollars.

Mr. ABBOTT: On the contrary, I would say they are a clear indication that we are making substantial savings of United States exchange.

[Mr. Abbott.]

Mr. FERGUSON: Can the minister give us an idea of the approximate value of the steel that goes into an automobile?

Mr. ABBOTT: I am not enough of an expert to be able to do that.

Mr. FERGUSON: Approximately only.

Mr. ABBOTT: I could not hazard a guess.

Mr. FERGUSON: The raw steel that goes into the manufacture of an automobile would be worth from two to three hundred dollars, and you are imposing on the already overburdened taxpayer who purchases a necessity like an automobile a tax that is almost as much as the cost of the United States steel that goes into it. It was ill-conceived to bring the Canadian dollar to par with the United States dollar, and now in order to straighten out the mess brought about by the government's action Canadians must do without an automobile or pay in taxation almost the equivalent cost of the United States steel that goes into that car. Some method should be devised of permitting Canadians to buy cars which are a dire necessity in business throughout Canada. It should not be necessary to load more taxes on the already overburdened taxpayer to straighten out the mess into which the government has brought this country.

Mr. BROOKS: I want to ask a question with reference to projectors for slides. I do not know whether it has come up before.

Mr. ABBOTT: It has, yes.

Mr. BROOKS: Is the minister considering excepting the equipment used by schools for educational purposes? I received a letter on this matter this morning.

Mr. ABBOTT: It has been considered and rejected. I suppose everything can be reconsidered. If anything were done I think it would have to be done in the form of a remission of the tax. I cannot give any undertaking now. I have had representations myself and I know that a number of the members have. These articles contain a very high United States content.

Mr. BROOKS: Eighty to ninety per cent of them are used for educational purposes.

Mr. ABBOTT: I know, but I think for the time being the schools are reasonably well equipped.

Mr. COLDWELL: The schools during the last two or three years have put on an intensive campaign for visual education. I believe such a campaign has been carried on in my hon. friend's province of New Bruns-

wick. I have not received any letters from New Brunswick on the subject, but I am interested in it because of my former profession. I believe they want between one and five hundred projectors to complete the campaign that they carried out during the past year; and in my own province of Saskatchewan a great deal of emphasis has been placed upon visual education. Many more projectors are needed than ever before. Because of the advantages of visual education this is something to which the minister should give consideration. Many things can be cut out that are regarded as luxuries, but this is a necessity in modern education.

Mr. ABBOTT: As I indicated yesterday, the bill as introduced will contain a provision directing that any article may be taken out from under its operation. If the trend which is still continuing in our United States dollar position continues, I would hope that I could give early consideration to eliminating an article of this kind. I would not want to give a formal undertaking now, but I shall give it consideration.

Mr. MANROSS: Has the minister any figures to show the amount of tax that is being removed by items 5 and 6?

Mr. ABBOTT: Yes, I have them. The total, including the two items on which we are taking the customs duty off, tea and coffee, amount in a full year to about $21,000,000.

Mr. MANROSS: This is not the tea and coffee item.

Mr. ABBOTT: I can give my hon. friend the figures: sugar, approximately $13,000,000; gas and electricity, $6,000,000, a total of $19,000,000 on these two items.

Mr. MANROSS: Is there any figure to compare with that in regard to the amount of average tax on the first four items?

Mr. ABBOTT: No; as I have indicated two or three times before in answering questions, you cannot make an accurate estimate as to what the collection would be under these taxes, because we hoped that it would reduce sales.

Mr. STEPHENSON: I have not yet made any statement on this matter, and I do not want to repeat any argument that has been made already, but on behalf of my constituents I should like to say that they object to this unjustified tax. Some of the articles that were taxed have been taken from the list. I refer particularly to electric stoves. I understand that the people who bought stoves can demand a rebate of the 25 per cent tax which they have paid. Has the government given any directive under which the customer is authorized to take action to demand a rebate, or is it to be left to the person who bought the article to demand a rebate from the retailer? Is the customer left in the position of carrying on a dogfight with the retailer in order to get the rebate, and will the retailer be able to say that there is no government order forcing him to give a rebate? Is the government going to make a statement that these people are justified in claiming a rebate?

Mr. ABBOTT: I have made that statement in the house with respect to other articles. Electric stoves were taken out from under the operation of the resolution at a very early stage, and the officials of the Department of National Revenue tell me that no tax has been paid with respect to electric stoves. If any individual has paid a retailer a price for a stove which includes the tax figure he is entitled to a rebate, since no tax has been paid to the Department of National Revenue on electric stoves.

Mr. STEPHENSON: Is that a government order? I think these people are entitled to demand a refund of the tax that has been paid.

Mr. ABBOTT: That is a matter of law.

Mr. WEBB: The term "desired results" has been used here on many occasions. What were the desired results of cutting down the possible purchasing power or the sales of automobiles? In other words, is the desired result to cut down the purchase by fifty per cent, or twenty per cent?

Mr. ABBOTT: I do not want to put a label on any particular percentage. For instance in October 1946 the sales of motorcars from these three manufacturers that I mentioned were about $6,000,000. In the same month of 1947 they jumped to $14,500,000. That is a pretty big jump. Perhaps I should not expect that it would go back to as low a figure as 1946; I do not know. Frankly I would be pleased from the point of view of conserving United States dollars if that were possible.

Mr. WEBB: Suppose we obtain the so-called desired results and roll back more than expected, would that not in the long run create unemployment in a very high degree?

Mr. ABBOTT: Of course, if it were carried on too long; but I am reasonably hopeful that this program will not be necessary for too long, and that it will be possible progressively to relax it. But it is too early yet to say. It is less than five months since the program was announced. The results to date, as I have said before, have been most encouraging—let me

say frankly, more encouraging than I have dared to hope, but I do not want to attach too much importance to that. In matters of this kind I am inclined to be essentially conservative. I have to be shown that it is a permanent trend before I will be too optimistic about it.

Mr. WEBB: There seems to be a certain fear across the country that if this tax were dropped in the course of the next month or two it would create a great deal of confusion and dissatisfaction on the part of people who have already purchased automobiles. Therefore the only way to do it would be to reduce the tax gradually.

Mr. ABBOTT: I know my hon. friend is too experienced a parliamentarian to expect me to make budget forecasts in the house.

The DEPUTY CHAIRMAN: Shall the resolution carry?

Mr. KNOWLES: On division.

Resolution agreed to on division.

Resolution reported.

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the resolution be read the second time and concurred in.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BRACKEN: On division.

Resolution read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 172, to amend the Excise Tax Act.

Motion agreed to and bill read the first time.

WAYS AND MEANS

CUSTOMS TARIFF

The house in committee of ways and means, Mr. Golding in the chair.

That the customs tariff be amended to provide:

1. That on and after November 18, 1947, the duty on coffee, green imported direct from the country of growth and production or purchased in bond in the United Kingdom (imposed under tariff item 28) be, in the case of the intermediate tariff, reduced from a rate of three cents per pound to two cents per pound; and

2. That on and after November 18, 1947, the duty on tea, imported direct from the country of growth and production, or purchased in bond in the United Kingdom or in any British possession (imposed under tariff item 28a) of four cents per pound in the case of the British preferential tariff be removed and in the case of the intermediate tariff be reduced from a rate of eight cents per pound to two cents per pound.

[Mr. Abbott.]

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Chairman, the effect of this resolution is to reduce from three cents to two cents a pound the customs tariff on coffee imported under the intermediate tariff. In recent years this has represented the larger part of our coffee imports. The other part of the resolution reduces the tariff on tea from four cents a pound to free entry in the case of tea entering under the British preferential tariff and from eight cents a pound to two cents a pound in the case of intermediate tariff. Most tea comes in under the British preferential tariff.

Mr. MANROSS: What section is that?

Mr. ABBOTT: That amends the customs tariff.

Mr. MACDONNELL (Muskoka-Ontario): I have a question on the significance of the words used in paragraph 1: the duty is removed "on coffee, green imported direct from the country of growth and production or purchased in bond in the United Kingdom." Does that cover practically all the coffee that comes into the country?

Mr. ABBOTT: I have not my tariff expert here; I telephoned and asked him to come. The fact is, as I have explained, that it reduces from three cents a pound to two cents a pound the customs tariff on coffee imported under the intermediate tariff. I am told that in recent years the larger part of our coffee imports come in under the intermediate tariff.

Mr. MACDONNELL (Muskoka-Ontario): Is there some reason that it is done on some and not on all?

Mr. ABBOTT: I have not the commissioner of tariff here; I am sorry. I am told that this really represents the coffee that we are importing.

Mr. MACDONNELL (Muskoka-Ontario): I am not suggesting that it is vital.

Mr. ABBOTT: I might get the information. When we are in committee on the bill I will have that information and give it to my hon. friend.

Mr. MACDONNELL (Muskoka-Ontario): That is fine.

Mr. ABBOTT: I am sorry I have not the information here, but I did not expect that we would make such rapid progress.

Resolution reported.

Hon. DOUGLAS ABBOTT (Minister of Finance) moved that the resolution be read the second time and concurred in.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BRACKEN: On division.

Resolution read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 173, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

AGRICULTURAL PRODUCTS ACT

AMENDMENT TO PROVIDE FOR CONTINUANCE IN FORCE UNTIL MARCH 31, 1949

Hon. ERNEST BERTRAND (for the Minister of Agriculture) moved the second reading of Bill No. 171, to amend the Agricultural Products Act.

Mr. J. A. CHARLTON (Brant): This amendment to the Agricultural Products Act is to extend the bill for one year. I want to take this opportunity of voicing my disapproval once more of the principle of the bill. Our position has been stated clearly on previous occasions by my leader and also by the hon. member for Kamloops (Mr. Fulton). My exception to the principle of this bill is based on the fact that it is a price control measure, purely under government control and that it is not what it is supposed to be, namely a marketing bill. I say that because of the minister's own statement. He has admitted that to this house, and also on various occasions when speaking outside of the house. I would even go so far as to say that this bill could be used for political purposes to the disadvantage of many farmers across the country.

I want to say a word about the effect on farmers of this type of government control. I want to make it quite clear that the farmers of this country have never asked for all the traffic would bear for their produce, and that they are satisfied to support a measure of stability for the benefit of both producer and consumer. As a result of this bill, the farmers of Canada have been subsidizing not only the consumers of Canada but the consumers of the United Kingdom. They are not satisfied with the present one-way street method or this lopsided method which the government has taken unto itself. To prove that statement I just want to quote a couple of paragraphs from the resolutions passed by the Canadian federation of agriculture at Brockville. The first, which deals with ceiling prices, is as follows:

Protesting emphatically against the manifest injustice of the recently announced policy of the federal government in singling out major agricultural products for the reimposition of ceiling prices without the reintroduction of a general policy of price control.

The next one is from the statement of the dairy farmers of Canada and is as follows:

If price controls are to be imposed on food products of which they are the primary producers, dairy farmers insist that controls be placed on all factors entering into their costs.

I say that the government has maintained on various occasions that the Agricultural Prices Support Act of 1944 was meant for this purpose, but it is not permanent legislation. The past experience of the potato growers, particularly in the eastern provinces of the dominion, has not made for good feeling on the part of these growers through the operation and administration of this act. In the first place the act was not put into effect until practically the end of the potato marketing season. By that time the potatoes had shrunk to quite a large extent, they had sprouted and needed a good deal of sorting before they were made available to this board that was buying them. The farmers felt that the price was not sufficient to take care of all the work they were forced to do in order to market them. I maintain that it is the uncertainty in the minds of the farmers across the dominion that is causing considerably lowered production, along with the effect of the income tax. After the farmers during all the war years had made an all-out effort to produce large quantities of food, and were successful in their objective, subsidizing the consumers of this country and of Great Britain, the government now comes along and says, "We are going to extract from you in income tax every nickel that we can." That greater production was largely brought about by overtime work. The farmer could not hope to produce the large quantities which were produced during the war in an eight-hour day and a five-day week. Is he going to continue to work that overtime in order to produce, with his markets as uncertain as they are today? I can tell you, Mr. Speaker, that he is not; and production figures have shown definitely that he will not do so.

I wish to put on *Hansard* certain figures from sessional paper 164A, dated March 8, but before doing so I would be glad to give the minister an opportunity to answer the question I asked on Friday night, because I think it would be only fair to do this.

Mr. SPEAKER: I would remind the hon. member that we are on the second reading of the bill.

Mr. CHARLTON: Very well, Mr. Speaker. I will put the figures on *Hansard*.

Mr. GARDINER: The question was as to why there was some difference between the figures which were supplied, and the answers given, and the figures which I was using the other evening. Well, the figures asked for in the return are a statement of figures on shipments, and of course shipments at a given time are not the same as what goes into the vats for delivery. The figures, either with regard to quantity or with regard to price, would not be the same based on one as compared with the other of these.

Mr. CHARLTON: Probably the minister misunderstood the question. In the case of bacon, my figures are preliminary figures for 1947. Surely these should be completed.

Mr. GARDINER: Are those the figures given in the return brought down in the house?

Mr. CHARLTON: Yes.

Mr. GARDINER: They will be the correct answer to the question that was asked, but the question that was asked may not be the question I was discussing the other night when I was giving certain figures.

Mr. CHARLTON: I will quote the figures that are in this return, and I will point out that they are preliminary figures for 1947. They are not complete. I will give the last three years. In the case of cheese, the contract for 1945-46 was 125,000,000 pounds and the quantity supplied was 126,687,236 pounds. In 1946-47 the contract was for 125,000,000 pounds and the quantity supplied was 92,104,624 pounds. In 1947-48 the contract figure was 125,000,000 pounds and the amount supplied was 56,104,066. That is, the 1947-48 figure was only 44 per cent of the amount sent to Great Britain in 1945-46.

Next I will take bacon. I will give the four main items. In bacon, in 1944-45, the contract was 900,000,000 pounds and the amount supplied was 1,109,133,764. In 1946 the contract or agreement had dropped to 450,000,000 pounds and the amount supplied was 272,890,924 pounds. In 1947—this is a preliminary figure—the contract was 350,000,000 pounds and the amount supplied was 214,744,554, or 19 per cent of that quantity which was shipped in 1944-45.

I come now to the figures for beef. In 1944-45 the agreement was 100,000,000 pounds and the amount shipped was 315,524,494 pounds. In 1946 the contract was 60,000,000 pounds and the amount shipped was 119,208,538 pounds. In 1947—this is a preliminary figure—the contract was 120,000,000 pounds and the amount shipped was 26,155,173 pounds, or eight per cent of that amount which was shipped in 1944-45. Production figures for those three are considerably less than the figures of 1944-45.

In regard to eggs, the amount has been steadily increasing ever since the contracts were initiated.

Mr. GARDINER: It is marked preliminary here, and the figure is 26,000,000, but the last figure I have is 39,000,000 odd.

Mr. CHARLTON: That is on beef?

Mr. GARDINER: Yes.

Mr. CHARLTON: That, as I said, would change, and I wanted to be fair in stating the figures. That is why I offered the minister an opportunity of answering the question before undertaking to put the figures on. But even with 39,000,000 pounds, it is a great deal less than either the year 1946 or the year 1947.

I have here a copy of the *Economic Annalist,* February issue. In a short paragraph on page 22 it is stated:

> There has been a general decline in the total amount of meat produced from the record level of 1944, and it is estimated that 1948 production will be slightly below that of 1947. The quantity of pork products available for export is expected to decline in 1948. As a result, the quantity of bacon contracted for in 1948 with the United Kingdom has been revised downward to 195,000,000 pounds, and the price increased to $36 from the 1947 price of $29 per hundred pounds for grade A, Wiltshire sides.

That only bears out what I said regarding the lowering of production of three out of four of the agreements we have to supply Great Britain. Now what is the future of the hog producers of Canada? The only stipulation is that the price of 1949 shall not go below the 1946 figure. What is the 1946 figure? What was the price in 1946? It was $22.75 up until April 1 and it was raised to $25 on that day. Which of these two figures will be the 1946 minimum which is expected to be the contract price for 1949? That is the thing the farmers are asking today, and that is the thing that is keeping them from increasing the production of hogs. There is an uncertainty as regards the price, and uncertainty as regards the policy of this government. The lowering of production of all these products across Canada will mean that ultimately the consumer will have to pay higher prices for the food he buys. That will be the result indirectly, because when you lower production you will undoubtedly increase the cost to the consumer. So that by their policies

this government has greatly decreased production, which will mean ultimately that the consumer will pay more.

Another thing to which I would refer is this. Why are these contracts not available to the public? The minister said the other day it was because the contracts were not signed. After three months these contracts are still not signed by the contracting parties, and yet Mr. Taggart at a meeting of the Ontario hog producers in Toronto stated "firm as to quantity" when he was asked a question about bacon contracts. From that statement that the contract was firm as to quantity, I can only deduce he implies that the contract was not firm as to price. Under ordinary circumstances a businessman would not think that a contract which was not signed by both contracting parties was worth very much.

I hold in my hand a Canadian Press release reporting a statement by Mr. Strachey in England about these contracts. After seeing this statement I question just how much can be taken from the statement made in Toronto. I will quote from this press clipping taken from the *Globe and Mail* of March 18, 1948. It is headed "Asks slash in U.K. buying from Canada." The text, dated at London, March 17, is as follows:

Britain's purchases from non-dollar countries must be increased and her present rate of spending on Canadian food cannot be continued, Food Minister John Strachey said today.

No complete cut-off in Canadian purchases was proposed as this would mean "disaster" to both countries, he said at a press conference.

He made these points:

1. Canada now is the only source of dollar foods bought by Britain and "remarkable progress" has been made in obtaining food supplies from sterling and soft currency areas.

2. While Britain's dependence on dollar sources of food has been reduced, "we cannot, in the new circumstances, afford even so much."

Harold Wilson, president of the board of trade, told the Overseas Empire Correspondents' Association that even with the increased exports being directed to Canada, Britain would not be able to pay for all her minimum needs of Canadian goods. The question of a "new line of Canadian credit" would have to be considered.

And farther on:

"The most important single thing the food ministry can do in the nation's life and death struggle to balance its payments is to switch the buying of our food back from dollar to non-dollar sources" Strachey said . . .

In Europe, Strachey said, "A whole series of negotiations for food have been undertaken in the past nine months and treaties under which we shall buy slowly but steadily increasing quantities of food have been concluded with Denmark, Poland, Holland, Italy, Hungary, Portugal, France, Spain, Iceland and Eire."

Mr. GARDINER: Read the last sentence.

Mr. CHARLTON: That is the last sentence.

Mr. GARDINER: Then the hon. member had better get another clipping.

Mr. CHARLTON: If the minister can produce another I should like to hear it, because this one is not very encouraging.

Mr. GARDINER: Take it out of the *Gazette;* it is better.

Mr. CHARLTON: The minister may read that when he makes his reply. I want to go back to January 1947. The minister has made statements in the house, perhaps somewhat boastfully, that the marketing of hogs has improved considerably in the first two months of 1948. Let me say to him there is a reason for that. In January 1947, an artificially high price was paid by the packers for hogs in Canada which, rightly or wrongly, gave many farmers the impression that hog prices were going to stay at that abnormally high figure. Many of them did go into hogs at that time, and kept their sows instead of marketing them. They bred those sows, and of course last fall, when price controls went off feeds, many of the sows went back on the market. However there were others of them which did farrow, and the pigs which were farrowed are now coming on the market. I believe that is the reason for the great increase in hog marketings at the present time.

I have here statistics from the livestock survey of December 1, 1947. They show that the fall pig crop of 1947 was nine per cent less than that of 1946. The number of sows bred to farrow from December 1 to the month of May, 1948, was 67 per cent of those in the same period in the previous year. So that indications are that that increase in marketings at this stage of the year would not hold for more than probably a month at the outside.

Last year the minister said that the decrease was due to the scarcity of grain. Let me at this time quote from the quarterly review on Canadian coarse grains, the issue for February, 1948. I wonder what the minister will use as an excuse this year. This is what I find in this publication:

Visible supplies of both oats and barley at February 19 are both in excess of the commercial supply position on the same date a year ago. Oats supplies at 30·2 million bushels exceed last year's figure by nearly a million bushels while barley stocks at 32·1 million are more than 11 million bushels greater than last year . . . Stocks of oats and barley located at eastern lake ports were reported on February 19 this year at 7·8 and 5·3 million bushels respectively. Last year only 3·4 million bushels of oats and 1·1 million bushels of barley were at eastern lake ports. Lakehead stocks of barley at 11·5 million

bushels are also up 6 million bushels while lakehead oats stocks at 9·5 million bushels are nearly a million bushels greater than a year ago.

May I point out further that the hog-barley ratio as shown in this same review is placed at 17·1, the same as it was in January 1946. However this is many points below the high of 21·4 of February 1947. So that the hog-barley ratio does not show there would be a considerable increase in the production of pork.

Where do we go from here? It is my view, which can be verified, that the farmers of this country want enabling federal legislation so that producer boards operating in the provinces can have control of their own handling and marketing of produce. They would require legislation similar to that passed in 1934 by the Bennett government, legislation which was then known as the Natural Products Marketing Act. May I quote the following resolution on this point from the Canadian federation of agriculture:

Dominion marketing legislation:

Whereas the organized farmers of Canada, through the provincial and Canadian federations of agriculture, have on many occasions since the court decision that the 1934 marketing act was ultra vires, requested the dominion government to enact comprehensive marketing legislation that would enable farmers to market their products in an orderly manner;

And whereas the government has not seen fit to pass such legislation and has not as yet given any logical reason why this request of the farmers should not be granted,

And whereas eight of the nine provinces of Canada have shown by their actions in passing provincial marketing legislation that, in their opinion, such legislation is necessary and in the public interest;

Therefore be it resolved:

1. That the Canadian Federation of Agriculture again puts on record its belief that dominion marketing legislation, to supplement the provincial acts, is urgently necessary if the farmers of Canada are to be placed in a position equal to that of other elements in the community.

2. That, once more, the Canadian Federation of Agriculture requests the dominion government to introduce at the next session of parliament comprehensive marketing legislation that will make it possible for groups of farmers to control the marketing of their own products rather than be at the mercy of speculative interests.

3. That failing assurances that such legislation will be introduced, the Canadian Federation of Agriculture demands to know the reasons why the government of Canada, by its lack of action in this important matter, is apparently of the opinion that the farmers of Canada should be kept permanently in an inferior position as compared with other elements of society, and that such reasons be published for the information of all Canadian farmers.

[Mr. Charlton.]

I think that is sufficient proof that the Canadian farmers do want that type of legislation.

I just want to say a word about the C.C.F. stand on this measure. They have given much lip service to that particular type of legislation, but on the other hand they seem to be satisfied with the legislation that is being passed today. In lieu of the marketing legislation which the farmers of this country do want I suggest that instead of having the price of hogs for the 1949 contract not set until probably the end of December 1948, a minimum and maximum price should be set two years in advance and reviewed each year. The farmers would then know one year in advance what their prices would be. There would be a minimum and maximum price, not just a question mark. No continuity of supply can be expected either by this government or by Great Britain if the farmers of this country do not know more about what their price is going to be in the future than they do today.

Right Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I have only a word or two to say before the discussion goes further. First I should like to say that when we get into committee I will answer the questions asked the other evening. I have the information which was asked for by the hon. member for Muskoka-Ontario (Mr. Macdonnell) and other hon. members. I think the place to put that on the record is in committee.

Mr. NICHOLSON: Is the minister closing the debate?

Mr. GARDINER: No, I have not spoken on the motion; the motion was moved by the Acting Minister of Agriculture when I was out of the house.

I should like to call attention to what was left out of the statement read a few moments ago. I was mistaken in saying it was the last sentence in the article; it is not the last sentence, but it is part of the sentence which was read. It said:

It must not be thought that we can yet do without our remaining food imports from Canada, or that we can go on purchasing them and the very large quantities of non-food products such as cotton, tobacco, petrol, non-ferrous metals and the like which we must have from the dollar countries, without some further dollar help such as we have to receive under the Marshall plan.

Mr. CHARLTON: Hope to receive.

Mr. GARDINER: It says "have" here. This is a Conservative paper and it may be a little wrong in the printing. There is one point I want to emphasize, and I am sure

hon. members on both sides of the house will agree that it is necessary to emphasize it. There is no doubt that all the quantities that have been contracted for are going to be taken by the British this year, and there is no doubt that they are going to pay for them. That is all arranged for; the decisions are all made in connection with it. One does not need to say anything more than that, and I cannot understand, when it has been repeated over and over again, why members of the opposition still try to leave the impression that that is not true. It is absolutely true; there is no doubt about it whatsoever.

Mr. MACDONNELL (Muskoka-Ontario): I should like to ask the minister one question. I want to be quite clear about it, that there is no desire on this side to misrepresent him. I understood, and I want to be set right if I am wrong, that the contracts were made but that the method and means of paying for the products which the minister has referred to had been settled only to the end of March. Was not that what we were given to understand at about the turn of the year?

Mr. GARDINER: The statement which was put out at the time the contracts were entered into was to the effect that the financial arrangements were finally concluded, not only with regard to food products but with regard to other products, some of which have been named in this article in the press. The financial arrangements were completed down to the end of March. It was felt that by the end of March in all probability the Marshall plan would be operating. However, the British food contracts were not subject to that condition at all. The food contracts are hard and fast contracts for so much money at so much per unit. As I said the other day, the problem of arranging the means by which they are to make payment was a matter for parties other than the Minister of Agriculture to worry about.

The situation is that there is no question whatsoever that the British have enough dollars that they themselves could pay many times over the amounts required for the food they are getting from Canada and still have a considerable carryover of United States dollars at the end of the year. That carryover may not be as great as they would desire to have, but there has never been any question about their having enough dollars to pay for food. From time to time they do discuss with us the extent to which we would agree to assist them in meeting their obligations and the extent to which they would agree to assisting us in meeting ours.

For example, we delivered far more bacon and far more beef under the contract in January and February than the contract called for, but the British took that beef and bacon. There had to be negotiations with them as to how the financing was to be handled within the terms of the contract, but they handled it. When they run into difficulties they come back to us and discuss the question. What I want to impress upon the house and particularly upon the farmers is that that contract is an absolutely closed contract, both with regard to price and with regard to quantities.

Mr. CHARLTON: It is not signed?

Mr. GARDINER: I have got past the time when I feel it is necessary to have a British signature in order to know that a contract is going to be carried out. The British have undertaken to do it by letter, and the signing of the contract is only a matter of form. They have agreed to the terms, to the prices and quantities, and if the British government make a contract, they will carry it out. That has been our experience with them. I know that just as soon as they can get past the details of considering it in their own departments the contract will be signed by them. It has been signed by us and sent over and it will be signed by them and sent back. But whether it is ever signed, they have committed themselves to the terms by letter and I know they will carry out those terms. What I wanted to do was to impress that upon the house and not let a statement go out on this occasion to indicate that there is any doubt whatsoever about it.

If I were free to do so I could state what happened no later than this morning in connection with this matter. I am not free to say that, but I can say that what did happen this morning makes it absolutely certain, if it were not certain before, that this food will all be paid for throughout the year. I think that is as far as one needs to go in order to assure the farmers that there is no doubt whatsoever that this food will be taken in the quantities spoken of and paid for at the prices in the contract right through to the end of the year. That is all I wish to say at this time.

Mr. MACDONNELL (Muskoka-Ontario): May I ask a question?

Mr. NICHOLSON: I wonder if we might not get into committee so that the rest of us would be permitted to ask questions of the minister? He has spoken three times already.

Mr. GARDINER: I just answered questions; I have not spoken three times.

Mr. G. J. TUSTIN (Prince Edward-Lennox): Mr. Speaker, I do not want to take up much of the time of the house on this bill because I think my words on the same bill last year will be well remembered. I opposed the bill at that time and I oppose it now. My grounds for so doing are that this is not a marketing bill, that it is a bill which gives the government authority to enter into agreements with other governments for farm products other than wheat. It also controls the price paid to the farmer for those products, and the price for the products shipped abroad acts as a price ceiling on the products that remain in Canada.

I intend to touch on one product only but possibly the most important product we send abroad, and that is cheese. Last year the government of Canada contracted to sell to the United Kingdom over 125 million pounds of cheese. As my colleague the hon. member for Brant (Mr. Charlton) has pointed out, that contract was only about 40 per cent fulfilled, and as I look over the records so far this year I find that cheese production in 1948 is down about 40 per cent from the corresponding months in 1947.

At the meeting of the Ontario Cheese Producers' Association in Toronto about ten days ago the president of that organization in presenting his report made what I consider to be a most amazing statement. I realize, of course, that when negotiations were taking place in Ottawa between this government and the government of the United Kingdom with regard to food contracts, representatives of the Canadian Federation of Agriculture were invited to sit in, and the amazing thing to me is that the presidents of the cheese producers' associations in Ontario and Quebec, which produce about 80 per cent of all the cheese produced in Canada, received no invitation to sit in and discuss this important product. I have before me the remarks of the president of the Ontario Cheese Producers' Association. He said:

> Cheese even now is being sold at less than cost. If our costs continue to advance as they have done, government subsidies will not be enough. Prices must be increased.

The new contract calls for thirty cents a pound for cheese. Within the last few years there has been a great transformation in the manufacture of cheese. Before the war a cheesemaker would produce from ten to eleven pounds of cheese out of 100 pounds of milk, but today, on account of a change in the quality of the cheese, only 8½ pounds of cheese on the average is produced from 100 pounds of milk. Of course, the farmer has had to

stand that loss. In other words, there are at least two pounds of cheese less produced today out of 100 pounds of milk than was the case before the war, the reason being that we now make a hard dry cheese.

I should like to figure out for the Minister of Agriculture the return which the farmer gets from his milk that goes into the production of cheese. Out of 100 pounds of milk he produces 8½ pounds of cheese at thirty cents, or a total of $2.55. Deduct costs of hauling and manufacturing, which amount to fifteen or twenty cents per 100 pounds of milk, and the farmer is left with a net of $2.35 to $2.40 per 100 pounds for his milk.

I must not neglect to say that the federal government gives a premium on quality cheese, amounting on the average to about ten cents per 100 pounds of milk. So that the farmer who is producing milk for cheese during the coming season will get somewhere in the neighbourhood of $2.50 per 100 pounds for his milk. According to investigations which have been held, the cost of producing 100 pounds of milk has been shown to be in the neighbourhood of $3.69. Consequently, on every 100 pounds of milk that is produced for cheese the farmer will lose more than $1.

Mr. BROOKS: Would the hon. member state what a quart of milk weighs?

Mr. TUSTIN: A quart of milk weighs 2½ pounds. As I said before, this bill empowers the government to take agricultural products by compulsion. Just before the end of the session last year I asked the Minister of Agriculture if the government had any intention of requisitioning cheese during the past season and he replied that the government did not contemplate doing so, but within the next two weeks a requisition went forward to every cheese factory in Ontario and Quebec advising the cheese manufacturers that all cheese in the factories must be sent to the agricultural products board to help fill our United Kingdom contract. Again I ask the minister because the question is very pertinent. Is it the intention of the government to requisition cheese this year? If so, I urge the minister to make the announcement in the very near future.

During the past year, Mr. Speaker, this bill was not a success in any shape or form, for the simple reason that practically none of our contracts with the United Kingdom was filled or nearly filled. If we take the minister's own figures on beef, for instance, he said that we had shipped only 40 million pounds, whereas the contract called for 120 million pounds. The same situation occurred with bacon. Again I ask the minister, why did he

single out for discrimination the farmer who produces milk for the manufacture of cheese and make him ship by compulsion to the agricultural products board every pound of cheese that was produced from the time the requisition went into effect? Why was the dairy producer, the farmer who produces milk for the manufacture of cheese, singled out as the only one to come under compulsion? Did the minister use compulsion to get bacon for the British contract? No. Did he use compulsion to get beef for the British contract? No. Did he use compulsion to get eggs for the British contract? No. Did he use compulsion to get powdered milk for the British contract? No. Yet, in the face of that, he did single out the farmer who produces cheese, the most important product of all the products that we are shipping to our neighbours across the sea. I do not want to take up more time, but I want to repeat that if it is the intention of the government to requisition cheese this year they should make it known at a very early day.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Those in favour please say "yea."

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those against it please say "nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "yeas" have it. Call in the members.

The house divided on the motion (Mr. Gardiner) which was agreed to on the following division:

YEAS

Messrs:

Archibald
Argue
Arsenault
Baker
Beaudoin
Beaudry
Belzile
Benidickson
Bentley
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blackmore
Blanchette
Boivin
Bonnier
Bourget
Bowerman
Bradette
Brown
Brunelle
Bryce
Burton
Campbell
Castleden
Chevrier
Claxton
Cloutier
Coldwell
Coté (Matapedia-Matane)
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Cournoyer
Croll
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Eudes
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gardiner
Gauthier (Nipissing)
Gauthier (Portneuf)
Gibson (Hamilton West)
Gillis
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Harris (Grey-Bruce)
Hartt
Healy
Herridge
Hlynka
Howe
Ilsley
Irvine
Isnor
Jaenicke
Jean
Jutras
King, Mackenzie
Knowles
LaCroix
Lafontaine
Leger
Little
McCuaig
McCubbin
McCulloch (Pictou)
McCullough (Assiniboia)
Macdonald (Brantford City)
McIlraith
MacInnis
McIvor
McKay
MacKinnon
MacLean
MacNaught
Maloney
Martin
Matthews (Brandon)
Michaud
Mitchell
Moore
Mutch
Nicholson
Nixon
Parent
Pinard
Pouliot
Probe
Quelch
Reid
Richard (Gloucester)
Richard (Ottawa East)
Rinfret
Robinson (Simcoe East)
Ross (Hamilton East)
St. Laurent
Sinnott
Smith (York North)
Stewart (Winnipeg North)
Stuart (Charlotte)
Strum, Mrs.
Townley-Smith
Tremblay
Tucker
Viau
Warren
Weir
Winkler
Winters
Wright
Wylie
Zaplitny—122

NAYS

Messrs:

Barrett
Boucher
Bracken
Bradshaw
Brooks
Cardiff
Casselman
Charlton
Church
Cockeram
Coyle
Daniel
Drope
Ferguson
Fraser
Gibson (Comox-Alberni)
Graydon
Green
Hamel
Hazen
Hodgson
Homuth
Jackman
Lennard
Lockhart
Macdonnell (Muskoka-Ontario)
McLure
McMaster
MacNicol
Manross
Menary
Merritt
Robinson (Bruce)
Ross (St. Paul's)
Ross (Souris)
Rowe
Skey
Smith (Calgary West)
Stephenson
Stokes
Timmins
Tustin
Webb
White (Hastings-Peterborough)
White (Middlesex East)—45

Mr. LESAGE: I was paired with the hon. member for Kamloops (Mr. Fulton).

Mr. BLAIR: I was paired with the Minister of National Revenue (Mr. McCann). Had I voted, I would have voted against the measure.

Mr. GARIEPY: I was paired with the hon. member for Victoria-Carleton (Mr. Hatfield). Had I voted, I would have voted for the measure.

Mr. ABBOTT: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted for the motion.

Mr. AYLESWORTH: I was paired with the hon. member for Algoma East (Mr. Farquhar). Had I voted, I would have voted against the motion.

Mr. LAPALME: Mr. Speaker, I was paired with the hon. member for Argenteuil (Mr. Héon). Had I voted, I would have voted for the motion.

(*Translation*):

Mr. RAYMOND (Wright): I was paired with the hon. member for Beauharnois-Laprairie (Mr. Raymond). Had I voted, I would have voted for the motion.

(*Text*):

Bill read the second time, and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Expiration of act.

Mr. ROSS (Souris): I had not intended to say anything at all on this measure other than to ask a question or two, because I have made my position clear in past sessions. But hon. members to my left seemed to be eager to take a long time in recording this this vote today. Therefore I intend to make a few observations with regard to this measure. First of all, I should like to remind the committee that in any democratic country which has turned to socialism the standard of living of the people has always been decreased. When we were discussing this measure a year ago we tried to move a number of amendments. After the principle of the Natural Products Marketing Act was passed, the government refused to accept any of those amendments. The two speakers from this party who today so well set out our position have pretty well proven the fact that this measure has not been, and is not working satisfactorily for the producers of this country. I have before me the *Economic Annalist*, a publication put out by the statistical bureau of the Department of Agriculture. It says that there has been a general decline in total meat production from the record level of 1944, and that the quantity of pork products available for export is expected to decline throughout 1948. Then the *Weekly Live Stock Market Review* of March 12, 1948, states that exports of dairy cattle to the United States from January 1 to date—slightly over two months—has been 10,411 as compared with 5,433 in the corresponding period of last year. That is still going on to a greater degree than ever. It has been well said that we have today a far greater quantity of oats and barley in store in Canada than we had one year ago. We have a surplus of feed today; yet meat production is going down steadily, according to government records themselves. In the same issue of the *Economic Annalist* to which I referred a moment ago, at page 9, there is set out the situation at the present time with respect to the prairie farmers, as follows:

> Although the prairie farmer is financially better off now than he was in 1941, there is still room for improvement. Only 52 per cent of all farms reported owning one or more tractors; only 20 per cent reported having one or more trucks; and about 14 per cent reported possessing grain combines. The small proportion of farmers—four per cent—reporting ownership or possession of electric motors pointedly emphasizes the lack of such equipment.
>
> Farmers have said that they want more machinery. Their farm buildings need to be repaired, repainted or rebuilt. Farm homes lack the many facilities essential to the well-being of the modern farm family. The exigencies of hazardous weather and crop failures have not been solved. Soil conservation is still a big problem. The prairie economy is still subject to the vagaries of the international market. The prosperity of the farmer on the prairies is still dependent upon a high and stable level of employment and income in Canada.

It goes on to say that at the present time there is a great deal of room for improvement. As regards the other side of the picture, I have here a letter I have received from a man who attended a large meeting, some 1,200 farmers, at Bismarck, North Dakota, and I should like to quote the following from it:

> One glance at that audience of 1,200 farmers showed, without any further evidence, the difference in the prosperity between those farmers in North Dakota and our own farmers on these prairies. Our farmers are getting by without any question, that is, they are not going into debt but the prices they have received in the last four or five years have not permitted them to equip their farms with modern labour-saving machinery as they should have done, and have not enabled them to pay off fully their indebtedness and mortgages, and to put something by to tide them over for hard times. Over and over again farmers in North Dakota told me that a man seemed to feel and think quite differently if his debts were paid and he had a few dollars in the bank, compared to his state of mind when he was still in debt and had no reserves.

I know from my own practical experience that this is so, because I have taken occasion many times to visit North Dakota; and I can say that throughout the war years, and at the present time as well, our neighbours across the line in that state, compared with us in Manitoba, have had far better returns. They have had from two or three times more than we have. I have argued on many occasions that the general standard of living is higher across the line than it is in Canada and that the authorities in this country should endeavour to raise the living standards of the Canadian people.

I wish to say something on a matter that I have dealt with at every session since I have been here, following the year 1942, and that is the cattle embargo. I do not know how long we shall have to wait until that is lifted, but I know that the situation as pointed out in the *Farm Ranch Review* is far from satisfactory. I should like to quote the following from this publication. They are seriously asking for the exemption of pure breds from the live stock embargo. They say:

> During the last two years an average of $8,000,000 worth of dairy stock have been exported annually to the United States. We are not arguing against this.

It goes on:

> Why not, then, encourage western farmers to devote their attention to purebred beef production by opening the American market to them? Why not make the same concession to the best beef raisers that is made to the best dairy stock raisers? They have rightly been given a chance to develop an American market. But the same opportunity being denied purebred beef producers.
>
> The argument that this would denude the Canadian table of meat cannot be made to this suggestion. It would result, on the basis of the D.B.S. figures, to a resolution of 14 per cent in the Canadian meat supply.
>
> How about it, Mr. Gardiner?

I emphasize the seriousness of this matter to the minister and to the government, and I would urge that the embargo be lifted as soon as possible in the interests of the producers of this country. As was ably pointed out by the hon. member for Brant, there has never been a time in the history of the country when our farm producers were so full of fear for the future as they are today. I cannot say whether there is a sound basis for that fear, but certainly the farmers and farm organizations have never been so fearful of their economic future as they are at the present time, and that statement is applicable throughout the country. They are certainly disappointed that they have not had greater access to the markets of the world. All this tends to make a peasantry of the future agricultural population of Canada as compared with the democracies throughout the world.

I could have taken up a good deal more time discussing this subject because there are some questions that I should like to have answered. I know, however, that the minister is eager to get the measure through this afternoon, and knowing the reasons behind that desire I will not take any more time just now. I simply wish to make our position and my own position as well quite clear to the committee, but I may have one or two other questions to ask before six o'clock.

Mr. SINNOTT: Mr. Chairman, the hon. member has placed on the record part of a letter without giving the name of the writer. Will he please put on *Hansard* the man's name?

Mr. ROSS (Souris): Mr. Chairman, I have listened to the minister reading letters and he was never asked to disclose the name. Without consulting the writer, I would not do it. I would not mind showing the letter to the hon. member.

Mr. SINNOTT: Have the letter struck out.

Mr. ROSS (Souris): I take full responsibility for the statements made in the letter.

An hon. MEMBER: The hon. member might have written it himself.

Mr. GARDINER: Mr. Chairman, might I give the answers to questions asked the other day? A question was asked about the total production of specified farm products in Canada.

Mr. ROSS (Souris): Mr. Chairman, did I understand the hon. member to say I might have written the letter myself?

Mr. GRAYDON: He had better withdraw that.

Mr. ROSS (Souris): I have the letter here and I vouch for the contents of it. I would ask the hon. member to withdraw that statement.

Mr. SINNOTT: The hon. member says he did not write it himself.

Some hon. MEMBERS: Withdraw.

The CHAIRMAN: The hon. member has accepted the word of the hon. member for Souris that the letter was written by someone and that he takes the responsibility for it.

Mr. GARDINER: I do not know that I can name the hon. member who asked these different questions, but to save time I will give

the answers, as answers to questions asked the other day when we were discussing the resolution. I was asked for the total production of specified farm products in Canada, exports to the United Kingdom, and exports as a percentage of total production. Without reading the answer, I should like if I may to put it on *Hansard*:

Total Production of Specified Farm Products in Canada, Exports to the United Kingdom, and Exports as a percent of Total Production, 1946 and 1947

Productions		Exports to the United Kingdom	Exports to the United Kingdom as a percent of Total Production
		Eggs	
	(000 dozen)	(000 dozen)	per cent
1946	316,749	95,547	30·2
1947	357,967	87,800	24·5
		Cheese	
	(000 lbs.)	(000 lbs.)	per cent
1946	149,624	104,244	69·67
1947	123,456	53,861	43·63
		Evaporated Milk	
	(000 lbs.)	(000 lbs.)	per cent
1946	191,586	30,483	15·91
1947	211,894	28,066	13·25
		Wholemilk Powder	
	(000 lbs.)	(000 lbs.)	per cent
1946	15,468	93	·60
1947	15,662	284	1·81
		Hogs	
	(000 lbs.)	(000 lbs.)	per cent
1946	823,946	277,992	33·7
1947	876,114	229,708	26·2
		Cattle	
	(000 lbs.)	(000 lbs.)	per cent
1946	1,053,339	119,209	11·3
1947	923,624	54,212	5·9
		Sheep and Lambs	
	(000 lbs.)	(000 lbs.)	per cent
1946	71,249	9,700	13·6
1947	57,275	3,380	5·9

N.B. These estimates do not consider carry-over stocks.

The hon. member for Muskoka-Ontario asked me for the percentage of total food supplies that were shipped to the United Kingdom for 1945 in relation to the other two years I quoted the other evening, and I should like to put that on the record:

FOOD GREAT BRITAIN RECEIVED FROM CANADA AND PER CENT OF TOTAL FOOD SUPPLIES

	1947	Per cent of Total United Kingdom Imports 1947	1945	1938
	Cwt.	%	%	%
Wheat	67,785,527	81·9	92·0	28·3
Wheat flour	13,218,766	75·9	72·0	47·6
Barley	....	....	....	27·5
Oats	1,968,609	92·9	96·0	93·9
Beans	57,605	6·8	27·0	24·3
Beef	292,543	2·9	43·0	0·6
Mutton and lamb	22,996	0·2	....	....
Bacon	1,962,454	74·4	83·0	18·6
Ham	1,265	78·5	39·0	34·9
Pork	....	....	*	0·7
Pork offal	14,023	9·0	....	10·6
Butter	....	....	*	0·3
Cheese	458,024	11·9	31·0	23·2
Poultry	107,479	18·2	....	2·8
Shell eggs (converted)	640,285	47·8	56·0	0·5
Dried eggs	110,453	16·3	26·0	....
Frozen eggs	14,145	5·2	....	....
Condensed milk (unsweetened)	245,557	20·7	*	56·6
Casings	6,183	6·2	14·0	7·8
Apples (fresh)	663,145	43·8	42·0	42·5
Potatoes	1,500,000	43·7	....	....
Canned tomatoes	28,157	9·0	5·0	19·0
Canned foods (not specified)	12,225	10·5	....	85·5
SO_2 fruits, pulp	70,733	13·7	....	5·9
Canned salmon	204,938	30·7	82·0	13·5
Total	89,385,112	53·4		24·9

* Less than ·01 per cent.

Source: "Accounts relating to Trade and Navigation of the United Kingdom", 1945-46.

[Mr. Gardiner.]

I believe it was the hon. member for Kamloops who asked for the names of the members of different boards and committees. The commodity boards that have been appointed under the Agricultural Products Act are commodity boards set up originally under the War Measures Act. These boards are being retained to facilitate the filing of food contracts and the filling of food contracts. The personnel is as follows:

L. W. Pearsall, chairman; S. E. Todd, F. H. Auld, W. E. Tummon, J. A. Proulx, F. F. Baird, secretary manager.

As members from Ontario will know, Mr. Tummon was president of the hog producers' association. The dairy products board is as follows:

J. F. Singleton, chairman; John Freeman, J. F. Desmarais, H. A. Derby, secretary.

Then the special products board:

A. M. Shaw, chairman; R. S. Hamer, W. F. Bull, R. W. Neely, secretary.

Then, advisory to those boards are the following:

H. H. Hannam, president, Canadian Federation of Agriculture, Ottawa, chairman; J. B. Munro, deputy minister of agriculture for British Columbia, Victoria; E. J. Chambers, president, associated growers of British Columbia, Vernon, British Columbia; O. S. Longman, deputy minister of agriculture for Alberta, Edmonton, Alberta; L. E. Pharris, director of the A.F.U. and A.F.A., Magrath, Alberta; M. E. Hartnett, deputy minister of agriculture for Saskatchewan, Regina, Saskatchewan; Geo. Wright, president of U.F.C., and president of Saskatchewan federation of agriculture, Borden, Saskatchewan; W. J. Parker, president, Manitoba Pool Elevators Limited, Winnipeg, Manitoba; F. W. Downing, manager, Canadian Live Stock Co-Operative (Western) Ltd., St. Boniface, Manitoba; C. D. Graham, deputy minster of agriculture for Ontario, Toronto, Ontario; B. B. Warnica, vice-president, Ontario beef cattle producers association, Barrie, Ontario; J. A. Marion, president, Quebec chamber of agriculture, Montreal, Quebec; Henri Dubord, Department of Agriculture, Quebec, P.Q.; J. K. King, deputy minister of agriculture for New Brunswick, Fredericton, New Brunswick; Harry Crandlemire, director of New Brunswick potato growers council, Gordonsville, New Brunswick; F. W. Walsh, deputy minister of agriculture for Nova Scotia, Halifax, Nova Scotia; W. R. Shaw, deputy minister of agriculture for Prince Edward Island, Charlottetown, Prince Edward Island.

Perhaps I should indicate the manner in which these appointments were made. Nine were named by the provinces, and the others were named by the federation of agriculture. They are appointed on the recommendation of the federation of agriculture and of the different provinces.

Then, the following is the cattle producers advisory committee of the wartime prices and trade board:

Newton G. Bennett, R.R. 3, Bury, Quebec; Stewart A. Brown, Sheddon, Ontario; Leslie Cameron, Ashcroft, British Columbia; Allan McAllister, Portage la Prairie, Manitoba; W. McGregor, R.R. 4, Brandon, Manitoba; Alex M. MacMillan, Juniata, Saskatchewan; Walter Oulton, R.R. 1, Windsor, Nova Scotia; George G. Ross, Aden, Alberta; H. L. Taggart, Olds, Alberta; Burton B. Warnica, R.R. 4, Barrie, Ontario; David M. Wiley, Maple Creek, Saskatchewan.

Those are the members of the advisory committees and of the boards. I believe I have answered the questions asked the other day.

Mr. MOORE: May I register my support of the measure, because I believe it involves a principle of agricultural marketing which in future will work to the great advantage of agriculture.

May I at the outset disagree with one statement made by the hon. member for Souris, when he insisted that any democratic country which had turned to socialism had reduced its standard of living. I do not think that can be regarded as actual truth.

Mr. ROSS (Souris): What countries would you mention?

Mr. MOORE: I would give as an example the great commonwealth of Australia. If we go back to the early days of Australia, at the time of its first settlement, we find that private enterprise absolutely refused to help out, with the result that the government had to take over so as to establish those things which would give the people of Australia a reasonable standard of living. That is really how state enterprise began in Australia—because private enterprise would have nothing to do with the building of Australian industry or agriculture.

Mr. ROSS (Souris): I do not think statistics prove that.

Mr. MOORE: It is not a matter of statistics; it is a statement of fact that can be substantiated in the parliamentary library, if one cares to read a number of books written with respect to the development of Australia. Those books have been prepared by noted Australian economists.

There is one other point so far as marketing is concerned which I believe will be to the great advantage of western agriculture. I know my Progressive Conservative friends will be interested in this, because the situation with which I wish to deal began during a time when that party was in office in Canada. It will be recalled that in the 1930's prices of Canadian agricultural products fell to an all-time low.

Mr. ROSS (Souris): Throughout the world.

Mr. MOORE: True, all over the world. But do not forget this, that it hit western agriculture particularly hard, because the government of that day followed a monetary policy which tied our money to the United States, despite the fact that the market for western agricultural commodities was in Great Britain. Canadian agriculture had to bear the loss on exchange.

For instance, in 1932 the price of Canadian wheat fell to nineteen cents a bushel, but the price of Australian wheat, because they had followed a different monetary policy, sold for around sixty cents a bushel. Those facts are to be found in the Commonwealth Year Book of Australia and our own Canada Year Book for the years I have mentioned.

Mr. ROSS (Souris): Does the hon. member know how many bushels of wheat were required at that time to buy farm implements in Canada?

Mr. MOORE: I have not the figures before me.

Mr. ROSS (Souris): Has he figures to show the purchasing value?

Mr. MOORE: I am just showing prices of farm commodities and the relation of those prices to the cost of living in Canada. In Australia at that time the same situation existed, but the farmers of that country received a higher income for their commodities than did the farmers of Canada, due to the different monetary policy followed over there.

That is where advantage will be gained by the farmers of Canada if we stick to the present legislation for the marketing of agricultural products. If in future we must suffer a loss on exchange through selling our goods in a market with a different monetary value, we shall be able to call upon the government to take the loss on exchange, such moneys to be taken out of the consolidated revenue fund, instead of agriculture being made to bear the whole loss.

The Conservative government of the 1930's made the farmers bear the whole loss on that exchange difference. Had it followed the policy of Australia, the farmers of western and of eastern Canada would not have suffered to the same extent. Surely this is a most important point.

Mr. FERGUSON: Is the hon. member aware of the fact that in the 1930's, at the time of the conditions under the Conservative government to which the hon. member has referred, in the United States they were burning wheat? I know that from my own observation in Kansas and Missouri. They could not sell their cattle, hogs and wheat.

Mr. MOORE: That has nothing to do with exchange.

Mr. FERGUSON: Nothing to do with what you want to put over; no doubt about that.

Mr. BLACKMORE: I should like to ask a question. I recognize the urgency of getting this measure through, but I believe one or two questions should be asked. I understand that in the act there is a provision whereby a floor price is to be determined. Is the minister prepared to tell us the formula by which the floor price in respect of a given commodity—cheese, for example—is determined when the government begins to support the price?

Then, when the minister gives this formula will he tell us how it is being applied in respect of the price of cheese, which was discussed this afternoon, and in respect of beef prices for which the beef producers and feeders of western Canada are at the present time being called upon to sell their beef? I think those questions ought to be answered now.

Mr. GARDINER: The question with regard to cheese was how the floor price was determined. The floor price is set by the price at which we are prepared to buy cheese to send to Great Britain. That is, the dairy board purchases cheese at twenty-five cents under the old contract and at thirty cents under the new contract, basis Montreal and basis the plant. The cheese is purchased at that price and we undertake to buy all cheese that is delivered. So far as cheese is concerned, there is no great difficulty in determining what the floor should be. The cheese is purchased at the price set in the contract and sent to Britain.

With the ceiling off cheese, it can be sold on the Canadian market at a higher price. With regard to what was said a few moments ago, I should like to say that it was not the intention of the government at this time last year to requisition cheese. However we began to requisition cheese around July 1. I am not in position to state at the moment that there will be no requisitioning of cheese this year. We would rather not have to requisition cheese, but last year, when a quantity of cheese had been purchased by dealers sufficient to supply the Canadian market, we requisitioned what was left. Obviously the difference between beef and cheese is that cheese is a cured product which continues to get better for two or three years after it is made, while beef is an entirely different kind

of product. If we permitted anyone to buy all the cheese off the market this year he could store it and perhaps get a better price for it next year or the year after. He might lose on his speculation, but last year, when all the cheese was being bought and there was very little being turned in for export, after enough had been taken to supply this market we felt that the remainder ought to be taken at the guaranteed price and sent overseas.

We have no grading system in connection with beef cattle under which the beef is as carefully graded as cheese. Then, again, it is not the same kind of product. The floor price is set by the price in the British contract for beef. Taking into consideration the experiences over a long period of time, we can judge fairly closely as to what price cattle ought to be on the different markets across Canada; that is, what best steers ought to be and what lower grades of steers ought to be. The markets are checked daily in order to make certain that the price is at least as high as the floor price. We are not concerned with how much higher than the floor it goes, but we do keep a check all the time to see that it does not go below the floor. The floor is established in that way.

The same practice is followed in connection with hogs and bacon. We know the relationship between A hogs and bacon and B hogs and bacon. We check all markets to see that the floor price under hogs is maintained. We do not raise any complaint if the price is higher than the floor, but if it gets down close to the floor price we draw the attention of those who are operating on the market to the fact that they are drawing close to the floor and we insist on their not going below the floor. As I have said on one or two occasions before, the only record we have of prices going below what would be justified by the floor prices was during some of the strikes that occurred in the plants during the years these contracts have been in existence.

Mr. BLACKMORE: In arriving at its decision, does the government not make any allowance for the cost of production in determining the floor price? Does it depend only on what can be got from Britain in setting the price for beef or pork or cheese?

Mr. GARDINER: That is not the price for beef or pork. The cheese price is definitely set. That is the price we offer for it. There is nothing to prevent anyone in Canada from selling at what he can get because there is no ceiling. We have a standing offer in all plants that we will buy at the floor price everything that is delivered. That establishes the floor.

Mr. ROSS (Souris): I should like to ask a question with regard to the embargo on beef cattle going to the United States. This may not be a proper question to ask the minister, but could the minister tell us what has to occur before this embargo will be amended? Must prices in the United States and Canada become parallel? If that is not likely to happen for some time, I think serious consideration should be given to the request of the beef producers that they should receive the same concession in the United States market that is given to producers of dairy cattle. Dairy cattle are actually being exported to the United States. I know there are many dairy producers in the country who get their dairy cattle in pretty good shape. We are not complaining at all and that market should not be cut off, but they are getting a lot more than the cattle are worth in this country. I think the same concession should be granted to producers of purebred beef cattle. That would have a tendency to develop better bred cattle.

Mr. GARDINER: I was not aware that purebred breeding stock could not be shipped to the United States. I think it can. If it cannot, the matter certainly ought to be inquired into.

Mr. ROSS (Souris): As breeding animals?

Mr. GARDINER: Yes, on the same terms as those on which the dairy stock is shipped in. There is something in what the hon. member for Souris says. I will check into it and see what the exact position is. As the hon. member for Souris said, the question of opening up the United States market is not a matter which comes under my department.

Mr. ROSS (Souris): But you have something to say about it.

Mr. GARDINER: That has been under the prices board since 1942 and any recommendations to the government in connection with it come from the prices board. Of course I have some say as a member of the government and, being from the Department of Agriculture, perhaps I say more than anyone else. However the responsibility is with the prices board and, through the prices board, the Department of Finance.

Suggestions have been made as to when it could be properly opened under the policy that we are following, which is a policy of more or less control over food products. We have been following that policy on food products since about 1941. Since we have tended to hold down prices to our farmers below what they could have obtained in the United States, previously on all of them and

recently on some, we realize that the time will come when it will be necessary for us to hold up prices here rather than tend to allow them to go down as fast as they may go down in the United States. A few days ago the price of hogs was a little lower on many United States markets than it was in Canada. You could not gain anything by shipping to the United States. If hogs go lower in the United States our contract should have the effect of holding prices up here and our surplus should go where the price is higher rather than to the United States. But if anything should happen to our contract in the next year or two which would make it impossible to sell in Britain at prices as good as in the United States, we should still have some protection for farmers' prices here under the Agricultural Prices Support Act for whatever period of time was determined by the government of the day in order to assure that prices would not go to the bottom.

Beef is still higher in the United States than in Canada. Up to the time the strike started in the United States beef had gone down there about ten cents a pound from the high level while our price had remained approximately the same. Our price went down one cent, while their price went down ten cents, and if theirs had gone down six or seven cents more it would have been the same as our own.

Mr. ROSS (Souris): Still higher on some brands.

Mr. GARDINER: It would have been higher on the top grade beef but we have not much of that type of beef. Theirs is corn-fed beef and commands a higher price.

Should that time come that I have spoken of, there should be a tendency to open the United States market. I cannot give the exact date because many considerations enter into the matter. We could not do it now, no matter what conditions are, because there is a strike on in the plants on the other side, and if we attempted to deliver cattle they could not get into the plants over there. If we slaughtered them here and shipped the beef over there we would probably have strikes in our own plants. So that under present conditions it is not possible to consider sending beef or cattle over there.

Mr. ROSS (Souris): That is a temporary situation.

Mr. GARDINER: We hope so, but temporary situations sometimes stretch out longer than we think.

Mr. CHARLTON: I challenge the minister's statement that our beef is not of as high a grade as United States beef. I think our red brand is as good as any produced in the United States.

Mr. GARDINER: That is all right until you try to sell it.

Mr. BLACKMORE: The situation in my constituency with respect to feeding beef has been very bad, and the people who are producing beef will suffer a serious loss this year. It will deter people from feeding beef next year to anything like the degree they should otherwise do. If we want beef in Canada, and I take it that we do, there is only one way to get it, and that is by retaining the confidence of the people who produce the beef. It is just as simple as that. The people in my constituency, so far as I know, have so completely lost confidence in government policy today that they hardly have courage to enter into stock-feeding at all, and the experience of the feed lots adds a sort of climax to it all. If anything can be done by the minister or by those over whom he can exercise influence, I certainly urge upon him that in the interests of the beef situation in Canada he take measures to alleviate the situation out there.

Mr. GARDINER: I should like to say a word or two on the question raised because it has been brought up two or three times, and I think hon. members should understand the position. Everyone who knows the situation in the Lethbridge area sympathizes with those who are running feed lots. The feed lot idea was introduced some years ago to deal with a situation which then existed. In the fall of the year, in September and October, cattle were taken off the grass in great numbers and found their way into the Calgary and Winnipeg markets in such large numbers that they could not be taken care of by the packing houses, so a number of men in Alberta were encouraged to go into the feed lot business, and they bought these cattle either from the farmers or at the Calgary yards and took them to the feed lots and fed them until the spring. That spread the delivery of the cattle over two periods, the fall and the spring, and so helped the farmers in general. That was in a period when there was not a market for all the cattle that were coming on the Winnipeg and Calgary markets in the fall, and when duties were high on shipments to the United States, so there was nothing to be gained thereby. These men running the feed lots bought the cattle at a price one and a half to two cents lower than the price would be in the spring. That was no great help to the farmer generally, because 90 per cent of

the farmers are producing not more than twenty head of cattle, and many not more than five or six head. The cattle brought in during the fall were sold at a low price, because there was no ready market for them and these feed lots took them and fed them through until the spring.

Then the war came. Since we have been in the war there has been a market for these cattle every day of the year, and there is no necessity for the farmers taking one and a half to two cents less in the fall in order that somebody may feed them through the winter and make a profit in the spring. From 1942 down to the present the feed lots have been having a really difficult problem. It may be argued that probably somebody ought to be doing something to help, as the opportunity comes, but it should not be the farmer who can now sell his cattle at the market price. He should not take less for them in the fall than he can get for them. I do not know just how we can deal with that problem. It concerns a very small proportion of our beef. Nevertheless these men got into the business through the policy established in Alberta and agreed upon by everybody at that time, but I do not think it should be done by trying to assure them a price one and a half to two cents lower than the market price in the fall so that they can feed them through until the spring. We will give more study to the question and see if there is any way of dealing with the problem.

Mr. BLACKMORE: Even now could the minister not do something to help these people by allowing them to send their beef across the line? If it is only a localized problem, perhaps they could be given a special opportunity to ship their beef across the line. I do not see any reason why the excellent facilities for producing beef in that area should be destroyed. About 40,000 beef are being fed there, and that is no small consideration in any nation. We have every facility there for feeding, an abundance of hay and a territory abounding in feed. Every opportunity is there for producing beef. Why should we destroy those facilities?

There is just one thing the minister did not mention in his statement which was otherwise quite clear. These beef producers take feeder cattle that are not priced as high as the cattle which are more or less finished and which the packers are ready to buy. There is need in this country for somebody to take feeder cattle and support the price by feeding them in the feed lots. It is just because of the need of having support for feeder cattle that this matter becomes of such importance to the range man who is producing beef out on the hills. If he does not have feeders to buy his semi-finished feeder cattle in the fall he will have to accept a reduced price for his cattle, and it is of importance to the farmer who, as the minister said, produces only five or six cattle that the feeder be there to support prices. The minister agrees with that, I am sure, and so I plead with him that something be done to prevent this excellent facility from being destroyed.

We are in an irrigated area; we are in an area which produces a great deal of sugar. In the production of that sugar there is a great deal of by-products of the sugar factories. Among these are beet pulp and beet molasses, which are exceedingly valuable for feeding. Because the producers are in an irrigated area, they must have crop rotation. Because of that, there is a great deal of hay produced. Hay production is an important industry for a great many people in that area. In addition to that they require the fertilization which comes naturally from feeding stock. All these elements are found in that area. Provision should be made for their use for the benefit of Canada.

If the beef feeder goes out of the picture; if the stock feeder generally in the wintertime goes out of the picture, a serious disadvantage will be created there for a number of people besides the range producer of beef. Once more may I urge that the minister do something about this matter because it is now quite serious. It is costing these men in the neighbourhood of seventy cents a day to feed a steer. That means it is costing them about thirty-five cents a pound to put on the weight now. If they have to go on for a number of days producing beef at thirty-five cents a pound, as they are at present, and they have to sell that beef at 16½ cents or 16¾ cents, then the loss they will sustain will be serious.

Mr. CHARLTON: Can the minister tell us which of these 1946 prices will be the floor price for 1949, the guaranteed price, $22.75 or $25? The floor price for the bacon contracts in 1949 is supposed to be not less than the 1946 price. In 1946 there were two prices. Which one of these are you going to take?

Mr. GARDINER: The one at the end of the year covered the contract.

Mr. CHARLTON: The $25 price?

Mr. GARDINER: I am not sure; I would have to check back. There was a period when we changed over from the end of October to the end of December. The hog year ran from November 1 to the end of October for a certain period, and then it

changed over from the end of October to the end of December. The prices that would be guaranteed for that would, I presume, be the one for the ten months' period, if it was the year in which the change was made.

Mr. CHARLTON: But the change was made in 1946.

Mr. GARDINER: That would be the contract price for 1946.

Mr. CHARLTON: That is $25.

Mr. GARDINER: Yes.

Mr. CHARLTON: When does the minister expect to be able to tell the committee what the price is likely to be for 1949? Could these prices not be arranged earlier in the season and not wait until December before the price is changed?

Mr. GARDINER: It is almost impossible. There are so many problems these days, and they change so rapidly, that I am afraid you would not be able to get the British to sit down and consider them until toward the end of the season, but they put this guarantee under it in so far as we are concerned in order to encourage production here to assure that the bottom will not fall out of it, as people say.

Mr. CHARLTON: The floor price as set is $25 now. I am afraid it will not work too well.

Mr. CARDIFF: May I go back to the feedlot cattle? I do not think the minister intended to leave the impression with the committee that the cattle which had been fed on these feed lots are any different. I know nothing about the west, but I do not think there can be so much difference in the way we do things in Canada. These cattle are worth two cents more in the spring than in the fall. They go out finished in the spring and they come in as feeder cattle in the fall. While there may be a market for them in the fall at these times more than there was some time ago, yet these cattle are worth two cents more in the spring than in the fall, whether in the west or in the east.

Mr. GARDINER: The cattle that are thin in the fall are fattened in the spring. As I know feeders, most of them like to get the animal pretty fleshy in the fall.

Bill reported.

Mr. JOHN BRACKEN (Leader of the Opposition): This afternoon we have done what we could to help the minister expedite the passage of this measure. We understood that he had to leave tonight and for that reason some of the discussion on the bill has been shortened. I spoke on the resolution, said nothing on second reading of this bill. I want now to take two or three minutes to outline our position. I do not want to ask the minister to wait to listen to it now, and I have no expectation that it will take long at eight o'clock.

Mr. GARDINER: If it will take only a short time, why not do it now?

Mr. BRACKEN: I did not want to ask the minister to wait to listen to me.

In view of the short discussion we have had here, I think I should take two or three minutes to state our position. It was made very clear in the resolution stage of this measure. These are the words I used. Our general position on this measure is known. We are opposed to it in principle; we are opposed to it because it is a complete negation of the form of farm marketing act which we favour, and which our producers are seeking from one end of this country to the other. We favour an act based on the principle of provincially sponsored marketing boards operated by the organized farmers themselves. We favour legislation which gives the producers themselves more say in the fixing of the prices of their products than is allowed in this measure.

The government's program with respect to agricultural prices is expressed effectively in two measures, the Canadian Wheat Board Act under which the wheat contract with Britain is administered, and this Agricultural Products Act under which these contracts with Britain for beef, bacon and cheese and eggs and so on are made and administered. I stated briefly our position with respect to the former act a few days ago. I can state as briefly our position with respect to this one now in words somewhat similar.

The purpose of the original Natural Products Marketing Act, 1934, was to market the farmers' crops to the best advantage as regards total price, stability of payments and orderly marketing. But the government is now following a policy to serve another end. It is using this measure as a price control mechanism more than as an agricultural marketing board; and for that purpose it has sold in the past, and no doubt will sell in the future, farmers' products at less than those farmers could get for their products if sold by themselves. Instead of a price supporting agency, as the original Natural Products Marketing Act was intended to be, and was, the government is using the present measure as a price depressing agency in its plans to regulate price controls or price levels in this country. That is a complete perversion of the original conception of the Natural Pro-

ducts Marketing Act. On that ground we opposed this measure in the resolution stage and for the same reasons we oppose it at this time.

Mr. GARDINER moved the third reading of the bill.

Mr. DEPUTY SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. ROSS (Souris): On division.

Bill read the third time and concurred in.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

NATIONAL FILM BOARD

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

Mr. M. J. COLDWELL (Rosetown-Biggar): Before you leave the chair, Mr. Speaker, there is a matter I should like to raise because it is one of some importance to both our own country and others. With your permission I shall introduce what I intend to say by reading a Canadian Press dispatch from Sydney, Australia, under date of March 8, 1948:

The recent decision to close the Canadian national film board offices in Sydney and Melbourne is regarded by film societies throughout Australia as a serious setback to the cultural development of the country.

Almost daily, educational authorities are writing letters to leading newspapers expressing appreciation of the work done by the board since the offices were opened and deploring the severance of a valuable link between Canada and Australia.

Typical of the letters is one from C. N. M. Richmond, president of the Canberra film centre, in today's Sydney *Morning Herald*. Richmond stressed his disappointment that the board was closing its offices and continued: "In the past two years nearly one third of all films on the programs of the Canberra film centre have been Canadian film board productions and this high proportion is no accident, for the admirable quality of most films from this source now is generally acknowledged.

But there is a further point that the Canadian film board has developed a tradition which had already helped our own national film board—through the work of men like Ralph Foster and Stanley Hawes—so that apart from the film supply we can ill afford to lose Miss Helen Watson and her office as a direct link with the outstanding film work of our sister dominion."

Richmond concludes with the query: "Is it too late for the Canadian film board to think again and leave at least its Sydney office intact?"

The dispatch says:

Miss Watson closes the Australian offices March 31.

Then it goes on to say this:

It is estimated that almost one million five hundred thousand Australians saw Canadian documentary and non-theatrical films last year. The board's library of more than 300 film subjects was screened 16,400 times in Australia during the year.

In Ottawa Ross McLean, federal government film commissioner, said the national film board had been obliged to indicate the closing of its office in Australia "on the grounds of economy".

"But other ways to make Canadian films available in Australia are being studied," he concluded.

This is not the whole story. We look at the estimates and find that they have been cut by $202,000—

Mr. ABBOTT: By approximately ten per cent.

Mr. COLDWELL: —which is approximately ten per cent. But may I remind the minister that a cut of ten per cent for an organization of this description, with the increase in the price of supplies, means a loss of considerably more than ten per cent to the work of the national film board. As I understand it, the other offices of the film board in the United States and in the United Kingdom, if they are not closed down, will be cut down and their activities greatly restricted. As I say, the estimates which have been tabled in the house recently indicate a sharp cut—for that is what it amounts to—in the film board estimates. I believe that this will not only lead to a curtailment of the excellent overseas work that is being done but also a curtailment of the work in the domestic field. Those of us who come from rural districts in Canada know well how splendidly the national film board has been serving the rural communities; and, after all, those communities are entitled to consideration from this house. I do not like the description that is sometimes applied to some of these films, when they are called movies. These days movies have a connotation that is sometimes not flattering. The national film board products are something more than movies. They are educational films building up good will among all our people all across this country and across the world. From my observation I say that this organization has done a great deal in building up a varied, efficient and interesting rural life and in assisting our educational institutions in those areas. Last year's cut, for there was a cut last year—

Mr. ABBOTT: A negligible cut.

Mr. COLDWELL: —reduced the circuits; or something reduced the circuits. I see that the minister shakes his head.

Mr. ABBOTT: A negligible cut.

Mr. COLDWELL: But the costs went up; and as I say, with the higher costs, even a negligible cut in the estimates means more than a negligible cut in the work. In any event, last year's cut reduced the circuits from eighty-five to sixty-seven, and we are told that these are economy measures. There are places where we can economize, but there are others where it is false economy to cut and I believe that this is one of them. The curtailment of the national film board's activities at home and abroad is, I believe, a penny-wise, pound-foolish policy. Relentless cutting is never wholly an economy measure, because we sometimes cut and find that, instead of economizing, we are less efficient; and that is not economy. The Department of National Revenue is, of course, responsible for the film board's activities. It seems to me that the estimates indicate that the cut is an arbitrary one without very much consideration as to what the consequences will be. The argument that is used, namely, that the development of the film board was an abnormal outgrowth of wartime activity, I do not think can be properly substantiated. Indeed, had there been no war, it seems to me that these services would have been developed. Now, when we need to unify our people in peacetime I am of the opinion that the film board's activities should continue to be developed and should enjoy a natural growth from the point at which we are now, not from the point at which we were before the war. I should not like to think it is the intention of the government or of the minister in charge consciously to cripple the potentialities for good of the national film board. But if the government intends to cut down or to eliminate the activities of the national film board, I think it is a matter that should be discussed in the house and the government should frankly tell us exactly what its attitude is.

This is one of several matters upon which this house has been negligent. We have never made a proper appraisal of the work of the national film board. We have never had an objective assessment of its activities as we have, for example, of the Canadian Broadcasting Corporation, and when it has been raised in the house from time to time it has been kicked around something like a political football.

For years, for example, my hon. friend the member for Peterborough West (Mr. Fraser) has criticized the film board. I wonder if the hon. member has done what some of the rest of us have done—visited the film board, seen what it is doing, and looked over the work that is being done under terrific difficulties in the seven scattered buildings in this city.

Mr. FRASER: Twelve.

Mr. COLDWELL: Has the hon. member visited those twelve buildings?

Mr. GRAYDON: You have six more to see, then.

Mr. KNOWLES: Seven from twelve is five.

Mr. COLDWELL: Yes, five. The hon. member said that the Minister of Public Works (Mr. Fournier) should take note of the condition of some of these buildings in which the film board employees are doing the best they can. The conditions are really a disgrace to the government of Canada; for example, the conditions under which some of the people are working on what is called the island. Those conditions are unbelievable; and if a private organization were using such buildings and keeping employees engaged in them under similar conditions, the government of Ontario, under the factory act or a measure of that kind, would step in and compel the employer to put the place in proper condition to be occupied.

Mr. MacNICOL: Not even a good factory.

Mr. COLDWELL: I suggest that before hon. members make a criticism of the work of an institution, whether it be one of our own institutions or any other, at least some careful inquiry should be made into what is being there carried on. I understand that the hon. member for Lake Centre (Mr. Diefenbaker) has visited the film board buildings in this city. Apparently he is unavoidably absent tonight. I am sorry he is not here, because I should like to have heard what the hon. gentleman has to say. I should like to hear the hon. member who sits to my immediate right, the member for Davenport (Mr. MacNicol), who has taken a considerable interest in what the film board employees are doing. I believe he could speak with some authority on the achievements of the board.

As I said a few moments ago, recently I took a look around to see under what conditions the film board employees were operating in this city, and apart from the utterly appalling conditions in which those employees are compelled to work, I think the board is something in which all Canadians can take considerable pride. I believe they are doing a

splendid job. I have before me an editorial from the *Moving Picture Digest* dated March 13, 1948. This magazine normally speaks for private enterprise and, therefore, would not be considered to be particularly interested in a government institution of this kind; but what does this moving picture digest say? Under the title, "Why publicly spank the baby?" it reminds us that the film board is a creature of this parliament and it asks why the baby must always be subjected to public spankings. It refers to "Canada Carries On," which many of us have seen in the theatres week by week, as being a first class production, as indeed it is recognized to be by film authorities in the United States and elsewhere. It praises the film board's record and concludes with this statement:

> An investigation, by competent men, to save operation costs is a reasonable business consideration, but why not investigate, get the facts, get the figures before we blast and publicly spank our baby?

Mr. REID: And the costs too.

Mr. COLDWELL: And the costs as well.

Mr. REID: I have been there.

Mr. COLDWELL: That is what I mean. Let us investigate before we come to a decision condemning something which I think is doing a good job for Canada.

In my investigation of what the national film board was doing I found that there is very careful treasury control of all the expenditures undertaken by the film board and its staff—an internal audit, treasury board audit —and if there is a treasury audit, our experience in this house must indicate that the treasury is pretty tight when it comes to the expenditure of public money.

The film board was first established early in 1939 as an agency to correlate all government film activities. There were a number of activities before that time; but this was the first time they were correlated under one board, and its purpose was and is to provide films interpreting Canada on much broader films than travelling industrial productions could possibly do such as heretofore have made up the bulk of the government's film programs.

May I emphasize, contrary to what is sometimes said, that the national film board was not a wartime creation? Today the national film board remains on a broader scale and I think the reasons are obvious why it should function on a broader scale. Over the last nine years, Canada's own demands created all kinds of services which the film board had to undertake; hence the expansion of the capacities and functions of the organization as the times demanded. Under wartime conditions, as we all know, and as I have said before, Canada developed a documentary film organization that is first class. I was going to say unsurpassed, but it is first class and has often been compared with the excellent documentary films that are produced in the United Kingdom. Let me suggest that, before we agree to the drastic cutting of estimates for this organization, we should measure the film board's achievements, and we should measure them by the yardstick of merit.

Some people say, of course, that it has expanded its activities. So it has. But in my opinion the expansion of those activities is something to be commended and not deplored, and if merit is to be the standard of judgment, then I say that we shall find that the organization ranks high.

I should say, in addition, that the documentary films of the board are regarded in other countries as models to be followed; and, as we learn and know, inquiries regarding these documentary films flow in constantly from all over the world—Mexico, South Africa, Australia, Sweden, the British isles and elsewhere. And as I have indicated, by press dispatch, the threatened closing of the office in Australia is causing considerable consternation.

Mr. REID: Among whom?

Mr. COLDWELL: Among people who are interested in educational films in Australia. We know the pattern of the national film board has been followed very closely by the Australian government itself. A Canadian, a member of the national film board staff, was the first commissioner of the Australian film organization.

On March 10 there were tabled and distributed to hon. members facts concerning this organization's activities. I hope they will be studied by all hon. members. Anyone looking them over will find that every year thousands of prints go out from the film board for domestic and foreign use. Some are, of course, sold to commercial concerns, and they bring in some small revenue. However I was there the other day and saw their library and, of photographs alone, I am told they have approximately 80,000 negatives of various types, other than the actual war types. These are all indexed and contain a full history of our country during the time the national film board has operated.

In addition to those supplied to commercial organizations, thousands of others are rented for use by various non-commercial bodies. The figures which are given in the

report—and they are quite impressive—did not include prints of newsreel stories, of which sixteen were released by major newsreel companies in the United States for world distribution, reaching audiences estimated at more than 70,000,000. That is one kind of release which reaches an audience of 70,000,000 people, advertising our country and interpreting various phases of Canadian life abroad. Today Canada has the largest non-theatrical showings of any country in the world; and this, it seems to me, suggests that the use of films should be encouraged as an effective means of increasing the free flow of information, not only in our country but throughout the world.

And may I ask, Mr. Speaker, if there ever was a time in the world's history when that free flow of information was needed more badly then it is at the present time? If one picks up this evening's paper he will read of the discussions going on now at Geneva regarding the free flow of information.

Here we have an organization which is giving information all across the world about our country, interpreting us to them and them to us. The appalling ignorance of one country about another leads to all kinds of misunderstandings. If we knew more about each other I am convinced that the preservation of peace would not be nearly as difficult as it is now. The iron curtain which keeps us from knowing what is going on behind it, and keeps the people behind it from knowing what we are doing is one of the greatest dangers in the world today. Anything that tends to bring information to people across the world is a most valuable asset to any country. If the people of Russia and those of the western world were able to learn more about each other's problems I am convinced we would find it easier to reach satisfactory understandings.

But while this lack of understanding is greatly to be deplored, in my view even more deplorable is the ignorance of free peoples about one another. Any of us who have travelled know perfectly well how appallingly ignorant people in other countries are about Canada. I am sure that every Canadian serviceman—I have heard them say so and, having visited the old land several times, I can confirm it—was shocked at the lack of knowledge about Canada to be found in the British isles.

Mr. REID: They are still ignorant of this country.

Mr. COLDWELL: And exactly the same thing would apply here, perhaps in various parts of the country. Certainly in the United States there is appalling ignorance of Canada, and perhaps among some of our own people just as great a degree of ignorance of the United States.

That ignorance extends to all peoples everywhere. Anything that can break down that barrier and bring about better information and better understanding should be supported. As has been said so often in the house, today we face the threat of a new tyranny. In the final analysis, the only way to overcome that tyranny is more information, more education and more understanding among the common people of the world; for the common people do not want misunderstanding; they do not want war. The common people are the ones who suffer most when war comes.

I think it is wrong, then, to reduce these estimates. It is wrong to cut out services we have rendered to our sister communities of the British commonwealth and to Great Britain. Today in many countries—in Australia, for example—there is a paper shortage. The same applies in Great Britain, with the result that if you wish to interpret your life and conditions to that other country you cannot do so on paper. Then, if you wish to use some other medium, certainly one of the best available is films, because perhaps we learn more through the eye than we do in any other way.

I would like to see Canada set up a UNESCO commission in our own country, and make available all the facilities for proper representation at its conferences. But at the present time we are cutting out one of the chief instruments of education and information at our disposal.

True, perhaps we must economize. But let us economize in places where we can do so and not exercise a false economy. Let me illustrate in this way. Last year's exhibition allotment of the Department of Trade and Commerce for the commonwealth exhibition in Sydney, Australia, cost the country $10,000. That was for only a short time. Many people would walk by it casually, as we do at exhibitions, but only a fraction of them would really look at what was demonstrated there. Now we propose to cut out the office of the film board at Sydney, Australia, which performs all the functions I outlined at the beginning of my observations. The salaries in the Australian film board offices were $7,500. The total outlay for the office was a little over $10,000. The job done by the film board in Australia was done for 365 days of the year, and was carried out into the most remote places of our sister dominion. Just as they go into the remote places of our sister dominion, so

do film board films go into the remote places in our own country, and bring education and entertainment to our own people.

Mr. REID: Do any films come from Australia? Do they reciprocate?

Mr. COLDWELL: We happen to be ahead of them in this matter. However, I have no doubt that under the leadership of a Canadian, who was on the film board, they will be producing documentary films we shall have an opportunity to enjoy.

Mr. BENTLEY: During the war they had some.

Mr. COLDWELL: Yes, during the war they had. I was going to say that one of the most interesting full-length films made recently, one which I believe received an award, is an Australian film the title of which now escapes me, but which, I believe, shows the driving of the herds across the great continent of Australia. I say that the expansion, which has been quite fast, should not be retarded; that we should give every encouragement to this group of people who are doing such an excellent job.

Mr. REID: Of course there is bound to be a limit.

Mr. COLDWELL: If the hon. member for New Westminster who keeps interrupting me will just be patient he can say whatever he wants to say later on. I know there must be a limit.

Mr. REID: You remember that when I am speaking and do not interrupt me.

Mr. COLDWELL: I do not interrupt the hon. gentleman. The hon. gentleman has been interrupting me almost continuously. I am quite willing to answer a question, and if an hon. gentleman who does not agree with me will rise in his place and ask a question I will sit down and then get up and answer it, but I object to having a running fire of interruptions with hon. members sitting in their seats.

Mr. REID: I will watch you when you are speaking and you will not get away with it next time.

Mr. COLDWELL: Instead of cutting down, I say that we should be expanding the service by intelligent degrees. It is senseless to cut down arbitrarily the work of this organization as the estimate implies will be done. I want to make two pleas to the government. First, the cut should be reconsidered and I think there is enough evidence to show that it should be reconsidered. Second, an opportunity should be provided for fuller consideration of the work of this organization than has been provided heretofore. I think hon. members have a right to ask the film board authorities to appear before a parliamentary committee so that they can get all the facts. The hon. member for New Westminster or the hon. member for Peterborough West—

Mr. REID: Leave me out.

Mr. COLDWELL: —who has indicated that money has been wastefully used and that this organization is not worthwhile—

Mr. FRASER: I should like to correct the hon. gentleman. I have not at any time said that the film board was not worthwhile.

Mr. COLDWELL: I am glad to hear that. I misunderstood the purport of the hon. gentleman's questions. That would give him an opportunity to inquire into all the features which he thinks should be inquired into and it would give the rest of us an understanding of what this organization is doing. Just as we set up a committee to inquire into the work of the Canadian Broadcasting Corporation, so we should set up a committee to inquire into the work of the national film board. If that is done we should all be in a better position to form a considered judgment. I suggest that two things be done: that the present cut in the estimates should be reconsidered and that, after we come back following the Easter recess, there should be set up a committee before which the officers of the film board could appear and which would give us an opportunity of inquiring into all the phases of the work of this organization.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I know that you are not anxious to sit in the chair much longer, that you want to get down to this other work, but I do not believe it would be fair if I did not have an opportunity to say a few words. I am pleased that the hon. gentleman has brought up this matter this evening, although if I had had an opportunity to go up to my office I might have been better prepared to reply. The hon. member started off by mentioning the fact that the Sydney, Australia, office had been closed.

As I understand the purpose of the setting up of the film board in 1939, it was that it would buy or make films for the different departments of the government and for educational purposes. I have a brief here outlining the whole set-up but I have not had a chance to go through it since the hon. member began to speak. I believe I am right in saying that the Department of Trade and Commerce was to distribute these films in the different countries, not the national film board. The film board was only to produce the films for the

different departments. The Department of Trade and Commerce, having a full understanding of the different countries, could pick out the proper pictures to be distributed in those countries through its trade offices.

Mention was made in the article read by the hon. member that the Australian film board was sorry that the national film board was closing its office in Australia. No doubt that is true. I do not blame the Australian film board for feeling that way because, by the national film board being in Australia, the Australian film board was saved thousands and thousands of dollars in distribution costs. There is no doubt of that. Not only did we supply them with films made by the film board, I have no doubt that we supplied them with other films made by commercial firms. I hope that most of the films distributed in Australia were made by commercial firms and I will tell you why in a few moments.

I feel as the hon. member does, and as I think every hon. member does, that every agency of government should be used to build up good will in other countries. I have preached that in the house on many occasions. I even suggested that the former minister of trade and commerce should take a trip to South and Central America. He did.

Mr. ROSS (Hamilton East): Oh, oh.

Mr. FRASER: The hon. member for Hamilton East laughs. He evidently feels that the minister's trip was of no use, but I feel that it was of some use. The hon. member is a Liberal member and, of course, you could not expect anything else.

Mr. BENTLEY: He is not even an independent.

Mr. FRASER: No, he is not even an independent. The hon. member who has just taken his seat said that he had visited the film board. I have visited it on different occasions right from 1940. I did not wait until the last couple of years to visit it. On Saturday morning I was over at 71 Bank street on an invitation from the film board to see some films they were showing. They sent out invitations to a program starting at eleven o'clock and running until twelve thirty. I got a special invitation from the secretary of the film board, and I suppose I was the only one who did. However I was going anyhow. I have spoken to some of our own members and none of them got it. Two other members and another party went with me. There were four Progressive Conservatives and two Liberals in a theatre seating fifty people. The film board showed, first of all, what they call "Eyewitness—First Shots of Chalk River". That was a fairly good picture, but of course they could not show very much of the Chalk River plant.

Then they showed "Trade Mission to South Africa". That included a picture of the former minister of trade and commerce—

Mr. ROSS (Hamilton East): Good.

Mr. FRASER: I believe even the hon. member for Hamilton East could take a better picture than was made by the member of the national film board who took that picture. It looked to me as if it had been taken by the rankest amateur. It was really a poor picture. The person who took it had evidently very little knowledge of taking pictures in southern countries. A person going into a southern country where the light is extremely strong must find out from people who are taking pictures there just how the lighting should be, what filters to use and how they should be used. That picture was an absolute flop. What it cost the taxpayers I do not know.

They had another picture "Great Lakes". It was supposed to be in colour. It was on colour film.

Mr. BROWN: A good picture too.

Mr. FRASER: That shows that the hon. gentleman does not know a good picture from a bad one. It showed a picture of Windsor, and I will acknowledge that some of the shots were good but the picture as a whole was extremely poor. The colour picture was taken when the light was very strong. I think it was taken at noon because the shadows showed straight up and down. Those who are taking colour pictures, unless they know exactly what filters to use, should take them in the morning before the sun is too strong, or in the evening just when the sun is setting, to get the best results.

Mr. GRAYDON: No excuse for not getting a good picture of a beautiful city like Windsor.

Mr. FRASER: They also showed a film "Farm Homes Beautiful". That is a picture, Mr. Speaker, that is really worthwhile. The photography in it was not up to what it should be, not as good as it would have been if taken by a commercial firm, but it was such an improvement on the other pictures that it really looked good to me. It is a picture that I feel should be shown in the rural sections of Canada, instead of some of those other pictures they are sending out. They sent out a picture in my district on "Soil", to a section of the country which can grow only rock, where there is no farming at all. Even a member

of the federation of agriculture said about that picture, "I was absolutely disgusted when they threw it on the screen."

On Saturday they showed another picture "West Wind", in the Canadian Artists series —Tom Thomson—filmed in Algonquin park. I am not prejudiced; that is an Ontario picture. It was really an excellent picture; but it was taken, not by the national film board, but by Crawley Films. The colour in it just stood out. You could see it was in perfect colour. Every detail in it was perfect, not like the other pictures, blurred and hard on your eyes, but a real picture that you could look at a second time, a picture you would be proud of.

The hon. member mentioned the buildings the film board occupies. He said seven buildings. There are twelve, ten of them rented buildings and two owned by the government. I have a return which shows that is a fact. I do not want to say anything against the Minister of National Revenue (Mr. McCann), who looks after the national film board, and who signed this return, so it must be true. I will acknowledge that practically every government building needs cleaning and repairing. I think the minister who is in charge of public works will acknowledge that too, and I hope that as soon as times are better and building materials a little cheaper, and men available to do the work, the necessary cleaning and repairs will be done to these government buildings. But personally I feel that veterans homes must come first. I hope we shall do as much for them as possible and leave this other work until later. It is not only here in Ottawa where government buildings need repair but in practically every city in Canada. If you travel in the United States you will find the same conditions there. The hon. member who mentioned seven buildings may have got that figure from an editorial in one of the papers which mentioned seven buildings and incidentally tried to pan me. At the present time the film board is spending over one and a half million dollars on salaries out of a budget of about $2,200,000, and on top of that there are travelling expenses; I have not those expenses here, but they are in *Hansard* and show over $300,000.

Last year I was invited to visit the film board and I would have gone but at the time committees of the house were sitting and the house was also sitting in the morning, I believe. I tried five telephones to get hold of this party to tell him I would prefer having the appointment moved forward, but I could not raise anybody until a quarter to ten o'clock. I did not try all the 132 telephones which the film board has; I tried only five.

I do not want anybody to believe or think I am not in favour of films for educational purposes, and films to advertise Canada in every part of the world. The proper films can do a wonderful job, but those films must be distributed in other countries, not by the film board, which does not know a thing about distributing films to the right people in foreign countries, but by the trade and commerce department, which knows every angle of the business and knows what the people want.

There is no better medium of education than films of the right kind. The children love them and so do the children who have grown up to the age of you and me; but we love good pictures, not some of these fuzzy pictures that the film board puts out. I know that in rural districts films have done an excellent job. They have done an excellent job in agriculture; but, Mr. Speaker, do you think they can do a decent job with agriculture if they do not have a little direction from the Minister of Agriculture and his department? The federation of agriculture have also asked for motion pictures. With the proper films, agriculture in Canada will improve and find out the different ways and means of doing its job. It is an excellent way to show the farmers of the country the proper way to look after their soil, their crops, and insect control, and the more pictures we have of that kind the better, but we must have people taking these pictures who understand how to take them and what kind of pictures to take.

I understand that in the United States the government of that country have all their films made and processed by commercial companies. I might be wrong in that, but I do not think I am, as I have had a great number of letters from people who are in the film business, despite the paper read by the hon. member, saying, "Go to it; you are on the right track." The first week after I spoke in the debate on the address in reply to the speech from the throne—that was February 25—I had 216 letters from photographers throughout Canada saying that they were having unfair competition from the national film board in their photographic business. As taxpayers, they felt that they should not be taxed to pay for unfair competition in their own line of business.

Last year the national film board got out a catalogue, "Canada 1947-48". It is a wonderful catalogue; it has beautiful pictures in it; they are Canadian subjects. These pictures are sold right across Canada in competition with

their own photographers. That is one department of the national film board which should be closed down.

The film board asked the architectural association—I think that is the proper name for it—to send in all their photographs of public buildings and to be sure to have them copyrighted so that the national film board would have all right to them; and even the photographers who took them would not have any say as to where they went or get any benefit from them.

During the last week I have had a number of telephone calls; I have also had people come in to see me, and I heard something that almost makes me wonder what this country of ours is coming to. I believe there is a place around Ottawa called Fairy lake park; I am not sure that that is the proper name for it. A gentleman was there taking some pictures, and he was plump and plainly told by the national film board man who was there with a camera that he had no business taking pictures on that property because it belonged to the federal government. I have also had commercial photographers tell me that they have been told to keep off the grounds in front of this building because it was government property and that they were not to take pictures there; that it was the right and the sole right of the national film board to take pictures on federal property. I can hardly believe that, but these men are, I know, responsible men and I feel quite sure that they would not say anything that was not true.

I hold in my hand a return which shows the most outlandish picture I have seen in a long time. It is a Christmas card; it has "N.F.B." on one corner and "O.N.F." on the other. Inside the cover it says, "The film commissioner and staff of the national film board wish you a merry Christmas and a happy New Year." That is paid for by the taxpayers of Canada.

Mr. KNOWLES: The initials to which the hon. member refers probably means the national film board in French.

Mr. FRASER: That may be so; my French is not as good this year as it was last year. I have enough material here, Mr. Speaker, to talk on the national film board until two o'clock in the morning—

Some hon. MEMBERS: Don't bother.

Mr. FRASER: —and I think I could give you something new every minute. I do not know who gave permission to the national film board to come here on March 16 and take a still picture, to set their camera over on the other side and take a picture across this way.

[Mr. Fraser.]

They took a picture of the *Hansard* reporters; but over on this side, standing away to the left of me—

An hon. MEMBER: Where all the smart people are.

Mr. FRASER: An hon. member says, "Where all the smart people are". He is perfectly right. It was the messengers of the House of Commons and other members of the staff of the house who sat there while that picture was being taken. I agree with him that they are very smart and pleasant fellows with whom to deal. I like all the messengers here, but I do not think a picture of that kind should be taken in the House of Commons with a set-up of that kind. I do not think it is right, because what they will have to do is either to blur out the faces of the messengers and the staff or put the heads of some members of parliament on their bodies—

An hon. MEMBER: That will weaken the messengers.

Mr. FRASER: I want to say again, as I said to the hon. member who spoke before me, I have never said at any time that the national film board should be done away with. I have said that the national film board should have a clean-up. The national film board should do what it was set up to do in 1939 when it had a budget of only $80,000. I have always said that the national film board could do good work if it had the proper guidance.

An hon. member says that the treasury board checks all the vouchers and things. That may be so, Mr. Speaker, but what do the treasury board know about films? They know figures, yes; they know what a dollar is, yes; but they do not know the workings of the national film board; and when a voucher comes through, if it is signed by an officer of the film board it will be approved and passed. Despite what any editorial says, or what anyone else might say, the sooner the national film board has a mopping-up, a clean-up and proper direction, the better for this Canada of ours, and the better trade relations we shall have with the other countries because they will appreciate good pictures after the bad national film board pictures they have been having.

FARMERS' INCOME TAX

Mr. H. R. ARGUE (Wood Mountain): I rise at this time, Mr. Speaker, to bring before the house a matter which I think is now of the utmost importance to the farmers of Canada, namely, the farmers' income tax. Protests are coming in from western Canada by the hundreds. Never before have I received as many

letters from my constituency on any single subject as I am now receiving with respect to farmers' income tax. The farmers feel so strongly on this particular matter that many protest meetings are being held. These meetings are spontaneous; they are not organized by any person touring the country. The farmers in a given locality feel that they have a just complaint and they meet together in considerable numbers to send their protests to members of parliament and to the government. Just recently a large meeting was held in the city of Swift Current, during bad weather, at which 148 farmers attended and as a result of which protests were sent to the members of parliament and to the government. The hon. member for Swift Current (Mr. Bentley) and other members of this party go along with me in protesting the type of income tax form and the method used in making the farmers comply with it. In one town of my constituency the farmers have formed a farmers' income tax association; two hundred farmers around one small prairie town have formed themselves into an income tax association. Another town has farmers who are organizing a widespread campaign to send in petitions against the present income tax form.

Mr. HARRIS (Grey-Bruce): Will the hon. member permit a question?

Mr. ARGUE: Yes.

Mr. HARRIS (Grey-Bruce): Is the hon. member seriously contending now that the announcement made by the Minister of National Revenue (Mr. McCann) last Friday is not satisfactory?

Mr. ARGUE: Yes, I contend that. I shall come to that particular point a little later on.

The records show, Mr. Speaker, that in the past the farmers of western Canada have more than paid their share of the income taxes which have been paid by farmers from one end of Canada to the other. Just a few days ago Chester A. Bloom, writing in the *Free Press*, gave the figures with regard to income tax paid in 1945-46 by farmers in the various provinces. In that year the farmers in Quebec paid total income taxes of $59,900; the farmers in Ontario paid a little over $1,000,000 in taxes; the farmers in Saskatchewan paid more than $2,500,000; the farmers in Manitoba paid more than $1,800,000, and the farmers in Alberta paid more than $1,100,000.

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

Mr. ARGUE: Yes.

Mr. LESAGE: Did the hon. member consider the fact that the income of the western farmer is much higher than the average income of the farmer in the province of Quebec?

Mrs. STRUM: So are their expenses.

Mr. ARGUE: That is perhaps a point, but I think the hon. member should also know the number of farmers in the provinces. For example, in 1945 Ontario had 175,749 farmers; Quebec, 151,850; Saskatchewan, 138,370. There are a great many more farmers in Ontario and Quebec than there are in Saskatchewan.

Mr. LESAGE: Does the hon. member contend that it is a question of the number of farmers or is it not a question of the amount of income of the individual farmer?

Mr. ARGUE: I think it is a question of both.

Mr. LESAGE: I do not think so.

Mr. ARGUE: I think it is a question of both. I do not think the hon. member will contend that in Quebec, for example, every farmer who should have paid income tax has, in fact, done so.

An hon. MEMBER: Oh, yes, they have.

Mr. ARGUE: No, he does contend that; and I do not contend that for Saskatchewan.

Mr. LESAGE: I imagine so.

Mr. ARGUE: All I am trying to point out is that the farmers of Saskatchewan have paid what I consider to be a reasonable share of the income tax paid by farmers in Canada as a whole. More than that, there is a concerted drive on in western Canada at the present time to get farmers to file returns whether they have filed them before or not. Most farmers find it impossible to keep an adequate set of accounts. Certainly they cannot remember all the expenses they had, for example, in 1944. Therefore, when they are making returns now they must pretty much guess at the figures. More than that, I think the government is requiring a good deal of unnecessary work and worry over the filing of these returns on the part of many farmers who certainly will not be paying any income tax at all; for in my opinion a farmer on a small farm cannot, over a period of three years, earn sufficient income to warrant his paying any tax.

One of the major complaints of farmers in respect of income tax is that, during the whole of the nineteen-thirties, their debts accumulated drastically, but it was not until 1943 that prices of farm products improved to any extent. Moreover, in 1942 there was a rigid quota against wheat, also in 1943. Then

in 1944 farmers had an opportunity to market much of their 1942 and 1943 crops along with their 1944 crop. No consideration has been given to the fact that within one year a farmer marketed parts at least of three crops. Moreover, if a farmer paid $1 to reduce his indebtedness, that $1 was subject to income tax. It was considered income for taxation purposes. So the farmers feel that they are not being given fair and just treatment. Today in many instances they find that they have replaced a debt owed to a mortgage company by a debt owed to the federal Department of National Revenue. I shall quote part of a letter which was sent to me. I picked out this one at random from those I received, and I think it fairly well states the position of the farmers of western Canada in this regard. It reads in part as follows:

> For years the loan companies bled us white and just when we are getting on our feet after ten years of drought, the government steps in to put us back where we were before. What I would like to know is, what right has the government to hold this money indefinitely—

Meaning the wheat board participation certificates.

> —without paying us interest; yet if the farmer owes them back income tax, they hook him for a 5 per cent penalty?

That is a good question that has not been answered. The farmers are being forced to pay a good deal of income tax at the present time; still the government says it wants livestock production. Farmers are not producing livestock because they find it is of little benefit, since a good part of the income they make from extra work producing livestock goes not to themselves but to the federal income tax department.

The government got out what it called a simplified form, and along with that form went a book of instructions. I think it is good that farmers were given this book of instructions. It will be of some benefit to them, and certainly items whereby farmers can write down their various receipts and expenditures are a good thing. But it seems to me that a good part of the introductory portion of the farmers' income tax guide is devoted to propaganda.

There is one question: "What are the things Canadians get through their government? What are we paying for?" The answer is this: "We are paying for the after-cost of our part in the winning of two world wars, which, had we lost, would have plunged us into the terrors, the deprivations, the serfdom and the hopelessness which afflict the majority of the people in the world today."

The farmers' income tax guide goes on to say: "We are paying for social services." This is what the money is going for: old age pensions, and family allowances in particular, but also health services and many other benefits.

I do not know who gets health services from the federal government when he is ill. I do not know if this was written in the hope that health services would be provided by the federal government, but certainly I do not think it is a statement of fact to say that the federal government is spending money for health services. The simplified form makes it necessary, I believe, for the farmer to hire an accountant to keep his books throughout the year and then hire a lawyer to fill in the income tax form at the end of the year. And the government, in forcing all farmers, whether they are liable or not, to file forms is creating some employment. It is creating jobs for the lawyers and the real estate agents and what have you. But in my opinion it involves a lot of wasted time and a lot of money spent by the farmers, many of whom should not, in my opinion, come within the income tax regulations at all.

The minister announced that some changes were made in regard to the net worth section of the farmers' simplified form. I do not think the announcement meets the situation. On March 19, as reported at page 2400 of *Hansard*, the minister said:

> The department therefore has decided that (a) those farmers who report their income for 1947 on a cash basis need not complete the farmer's net worth statement section of the return. There may be individual cases where, after the filing of the return, the department will require from a farmer, as from any other taxpayer, in order to make a proper assessment of his income, a statement of assets and liabilities of his business, or other additional information which, in such cases, will be requested in the usual manner.

I wonder if the information will include the part of the net worth section which calls for the farmer to disclose the amount of cash he has on his person or on the farm. I do not know and the minister did not say. Then, to conclude the quotation:

> (b) Those farmers who report 1947 incomes on an accrual basis must attach to the return a statement of assets and liabilities, as heretofore, or complete the appropriate parts of the net worth statement attached to the return.

Any bona fide farmer in western Canada will file his income tax return on an accrual basis. He is given an opportunity to spread his income over a period of three years, so that he will report his income for taxation purposes on an accrual basis and, if he does that, then he must submit a net worth statement attached to the return. The minister did not state whether that net worth statement which must be at-

tached to the return is the same type and has the same parts in it as the net worth section of the 1947 income tax form. If it is, then there is no real change, because of the minister's announcement, for the reason that every man who is in the business of farming will want his income spread over a period of three years.

One of the reasons the farmer will want that done is that he suffers crop failures every now and then. If I do not miss my guess he will still have to sell his oats, barley and flax on the grain exchange, and these prices will vary a great deal. The farmer's income will fluctuate greatly because of the operation of the grain exchange and because of recurring crop failures; therefore every farmer almost will want to file his income tax return on an accrual basis, and when he does that he must submit the net worth statement.

I contend, therefore, that the minister's announcement has not cleared up the situation in that respect at all. The farmers are asking that their income tax be spread, not over a period of three years only but over a period of five years. Farming is very hazardous. It is particularly hazardous in the prairie provinces. The farmer may get a forty-bushel crop one year and no crop at all for another two years, and because of that the farmers believe that the only fair thing is to have their income tax spread over a period of five years, a moving average for five years, which would be in effect a ten-year average.

They also feel that the present-day exemptions are far too low. They feel that the exemption of a single man to the extent of $750 and a married couple to the extent of $1,500 is ridiculously low. No young man can hope to pay for a farm when, if he earns more than $750, he must pay income tax. The farmers believe that their income tax exemptions should be increased to at least $1,200 for the single man and $2,400 for the married couple.

The farmers are also asking that the principle of the basic herd be extended. Page 17 of the farmers' guide for income tax poses this question: "What is a basic herd and how is it established?" The answer given is this: "Briefly, a basic herd is a capital asset consisting of cattle which have been purchased out of capital or are a replacement of them." The farmers would like the principle of the basic herd applied to all types of livestock found on the farm and not applied only to cattle as at this moment.

I have some figures as to the size of farms in Saskatchewan. I think any hon. member who is familiar with farming in that province will agree that a man who has a half-section of land, or 320 acres, over a period of three years just cannot earn enough to get into the income tax bracket. I do not think any useful purpose is served by asking half-section farmers, or smaller, to file income tax returns. Certainly the government will not get any substantial amount of income tax from these farmers. It will create a lot of trouble for them, and they will have to go to a good deal of expense to have the income tax forms filed.

In Saskatchewan in 1946 there were 75,000 farms of 479 acres or less. That is just under three-quarters of a section. The average farmer has one-quarter of a section of land, or two-quarters or three-quarters or more. So that of the 75,000 farmers, I am sure that more than 70,000 have a half-section of land or less. In that province in 1946 there were only 125,000 farmers, so that 60 per cent of the farmers are, I am sure, farming a half-section of land or less.

Therefore I contend that the government should not ask farmers who are farming that size of farm unit to file income tax returns, because certainly they will not be liable to pay income tax; and by being asked to file income tax returns, they are being asked to go to unnecessary expense.

There are many ways in which present income tax laws should be changed as they affect farmers. The Alberta Farmers' Union and the United Farmers of Canada, Saskatchewan section, have submitted briefs to the government in this respect. They go into a great deal of detail as to the many ways in which farmers' income tax regulations and forms should be changed.

In closing, I should like to outline the nine steps which I consider are most important to correct the present inequities in the income tax regulations as applied to farmers. They are:

1. Exemptions should be raised to $1,200 for single and $2,400 for married persons.

2. Payment of arrears of interest and principal due before 1940 should be allowed as deductions for income tax purposes.

3. The present three-year average should be replaced by a five-year moving average.

4. There should be simplification of income tax forms and complete abolition of the present net worth section.

5. Farmers proving investment in land and machinery to a value of less than $10,000 should be exempt from having to file income tax returns, because a farmer with only a $10,000 investment cannot over a period of three years make sufficient money to have to pay income tax.

6. In case of dispersal sales of livestock a number of animals equivalent to those owned

on January 1, 1941, should be considered a capital asset, and not subject to income tax; this to apply to horses, sheep, hogs and poultry, as well as cattle. This is the basic herds clause.

7. Allowance for labour of farm families in connection with production on the farm should be made.

8. There should be establishment of a board of arbitration in each province to hear income tax appeals. There is no board in the various provinces now to which the farmers can take their assessments and obtain rulings.

9. Uniformity of interpretation and administration of the Income Tax Act. It should not be left to the discretion of district inspectors to vary the provisions of the act.

I believe if these changes were made the farmers of Canada, particularly those of western Canada who are willing and anxious to pay their share of income tax, would be in a position to file their returns in a simplified manner, and the government would be able to assess those returns in a more just fashion. It would correct the grave injustices which prevail at the present time.

Some hon. MEMBERS: Carried.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, it is not carried yet. I regret having to detain the house for a short time; but I would be remiss in my duty if I failed to take part in this discussion, instituted by the hon. member for Wood Mountain (Mr. Argue).

Mr. GIBSON (Comox-Alberni): You will be brief, though.

Mr. BENTLEY: I shall be as brief as I can. I have received so many submissions from people at home complaining about this matter that I feel I must place the weight of their complaints before the house.

When the hon. member for Wood Mountain was speaking, some questions were asked from the other side as to whether he was being fair in pointing out that more pressure was being put upon western farmers for the purpose of collecting income tax from them than is being placed on people in other parts of Canada.

I have here a return given to me by the Minister of National Revenue (Mr. McCann) in reply to a question I had asked which, I believe, gives some information along that line. According to the 1946 census, there were, in round figures, 270,000 farmers in the three prairie provinces, while in the other provinces there were 436,000, making a total in Canada

of about 705,000. To investigate the farmers of the west, there were 126 inspectors for the 270,000.

An hon. MEMBER: What year?

Mr. BENTLEY: Up to February 19, 1948. To investigate and inspect the 436,000 farmers in other parts of Canada there were only eighty-eight inspectors. It might be argued that there is more income made in the west, but I am doubtful as to the truth of that suggestion. The figures I have do not indicate a great deal of difference.

For instance, the Canada Year Book for 1947 gives the 1945 figure, the latest available, of $857,000,000 total farm cash income in the three prairie provinces, whereas in the rest of Canada it was $828,000,000. There is not a great deal of difference in the amount of cash income of the farmers. Nevertheless, in the west there are more inspectors trying to get money from the farmers than there are endeavouring to extract money from farmers in other parts of Canada.

Only a week ago last Friday a meeting was held in my city of Swift Current. Immediately after that meeting I received a wire dated at Swift Current, March 13, stating that a mass meeting had been held in Swift Current that afternoon respecting income tax forms, and stating, "In spite of roads, snow blocked, had 152 in attendance; resolution passed without one dissenting vote." They say they will mail me a copy, which they have done.

I have the minutes of that meeting here. I do not wish to delay the house so that, unless someone forces it, I shall not read these minutes. I have documentary evidence to prove every statement I make and, if requested, I shall take the time of the house to put it on the record, where it cannot be refuted. If the house is willing to take my word for it I shall read only one or two extracts from the proceedings of this meeting. I want to point out that the meeting was comprised of farmers who happened to be in town during a bad stretch of weather when the roads were blocked and when no motor traffic could move outside the city limits. It was called on two days' notice; and only those who could come in by train or had horse transportation, something not plentiful in such a highly mechanized country, were able to get in. They had to hold the meeting in a small hall because we have no civic centre. The skating rink is in use in the wintertime, and that is the place generally used for large meetings. This small hall was crowded with 152 people and there were many more outside who could not take part

in the meeting. I might add that everything was quite informal. The letter is addressed to me as "Dear Tom," and they refer to the chairman as "Jim". I quote from the letter:

The meeting was very ably handled by Jim Wightman in the chair and in his opening remarks he prevailed upon those present to forget their party affiliations during this meeting as it was a matter affecting all farmers regardless of their politics, and this in effect was quite evident during the entire meeting as during the lengthy discussion on the resolution members of all political groups were heard from without any mention of party feelings, as all were unanimously in accord with the matter as presented in resolution and preamble.

The resolution was signed by the farmers who were at the meeting. Here again the material is open to inspection by anybody, unless hon. members want me to take forty minutes to read it into the record. There are pages and pages of signatures of reeves, councillors, chairmen of school boards and so on from various municipalities.

Mr. GIBSON (Comox-Alberni): No dead men?

Mr. BENTLEY: No dead men. I know them all personally and they are very much alive. I imagine that they were extremely alive at that meeting, because I know the temper of some of them.

An hon. MEMBER: No Liberals there?

Mr. BENTLEY: Yes, there were Liberals there. The resolution was distributed throughout the country. I have received numerous letters from farmers in all parts of the constituency, and a lot of signed cards such as the one I have here. These were sent to me as a more simplified way of expressing their opinions.

Mr. GIBSON (Comox-Alberni): Who printed those cards?

Mr. BENTLEY: They were done on typewriters by people who had to do it with one finger, the same as I have to when I have not a stenographer.

Mr. GIBSON (Comox-Alberni): I was wondering whether it was something like the arms to China.

Mr. BENTLEY: Not at all. These are honest farmers. They work hard to earn their living. They do not mind paying their way. The resolution on this card reads:

Whereas the prairie farmers' income tax forms are objectionable for the following reasons:

The form is impracticable, as it is impossible from the books kept by the majority of farmers for them to be completed with any degree of accuracy as the form contains too many details which are unknown by the taxpayer.

It is impossible for a farmer to give even a very rough estimate of feed fed to livestock on the farm; therefore the inventory is impracticable.

Page five—net worth statement of the 1947 income tax form be deleted for the following reasons:

(1) Too much of the farmers' personal business is involved which has no connection with income.

(2) The prairie farmer is being singled out and obliged to answer personal questions not required from any other type of business.

Therefore be it resolved:

That the 1947 income tax form for prairie farmers be immediately recalled and that a more simplified form be submitted, and that the new form shall not contain the net worth statement.

Some were inclined to be a little humorous when tackling this thing, and in a letter to one of the Saskatchewan papers one fellow suggested the following:

If Doctor McCann gets away with this form the next one may be worse, for instance the following may be added:

Beer used and consumed on farm during year.....

Empty bottles returned (state value).....

Bottles picked up along the road (give separately).....

Empty bottles under the granary at end of year.....

Where space insufficient add supplementary sheet.

Total.....

These men are earnest about their dislike of this form and in this regard I should like to quote from a letter from one farmer who says:

Assets such as livestock can die at any time. Sometimes we hold grain for sale, but have to feed it if the weather goes against us or if we have other feeds spoil, etc. Cattle can drop in price so if we figure a steer at $100 now in our assets, he may only be worth $50 by the end of the year.

That is the sort of complaint I am receiving. I want to recommend to the government that, instead of sending out assessors, the government should recognize that there is a difficulty. People in Ottawa cannot make up a form for farmers to fill out when they know so little about the matter. If the government want to give the farmer an opportunity to be as honest as he wants to be they should set up some kind of continuing commission or body, call it a royal commission, an investigating body, a study body or whatever name you want to give it. This body could examine all phases of farm operations, all the things that take place on a farm to make income and all expenses of operation of a farm in all its infinite varieties across Canada. Then that body would be able to recommend the type of form

which the farmer could fill in, with some feeling that he was doing justice to himself and paying his fair share.

I offer that suggestion in all earnestness and honesty to the government. I believe the government should accept that suggestion. There is no single member of the government, and I include the Minister of Agriculture (Mr. Gardiner) with his vast knowledge and tremendous ability, who is able at the present time to assess the difficulty of farmers in all parts of Canada in making up income tax forms.

I want to point out again that the people whom I have quoted, the people who attended this meeting, are responsible men. Many of them are reeves, councillors and members of public school boards and other local governing bodies. They are not dumbbells; they are able men. Many of them are entrusted with the expenditure of money raised in the form of local taxes. They know something about spending money for public needs. But they are not trained book-keepers or accountants and they cannot follow the various book-keeping intricacies required by some of these forms. But give them an opportunity to do this in a simplified way and you will find that they are quite capable of accounting for their income and expenses and paying their honest share of the nation's revenue.

Mr. J. H. FERGUSON (Simcoe North): I am sure that visitors must have nothing but the greatest sympathy for members of parliament who have certainly earned their Easter recess after listening to the leader of the C.C.F. (Mr. Coldwell) tonight advocating that half-baked Hollywood mechanics should turn out crack pictures. In my opinion we should put the members of the film board to making a living where they might show some signs of doing something useful. Other speakers of the C.C.F. party have advocated lower taxation and tax exemption for the farmers.

Mr. BENTLEY: That was never mentioned.

Mr. FERGUSON: You have spoken for forty minutes and said less than I will say in five. I say, bring these men down from Saskatchewan who need a special book to make up their accounts and let them see what the government is spending on what the C.C.F. advocates, a glorified Hollywood here in Ottawa, and they will soon put a stop to spending this money on pictures and then will have less taxes to pay.

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

[Mr. Bentley.]

FURTHER SUPPLEMENTARY ESTIMATES, 1947-48

Mr. BRACKEN: Before we proceed with the consideration of the supplementary estimates, would the minister take a moment to tell us the total amount of the main estimates voted last year, together with the total of the supplementaries now before us? If he will answer that, I want then to make two or three brief observations.

Mr. ABBOTT: The summary contained in the estimates for the fiscal year ending March 31, 1949, which were tabled a week or two ago, shows that the total previously voted was $2,116,967,853.74, to which must be added the total of the further supplementaries now before the committee, which total $79,809,337.98, or a grand total of $2,196,777,191.72.

Mr. BRACKEN: Mr. Chairman, about a week from today we shall come to the end of this fiscal year. As the minister has stated, the main estimates for this year amounted, in round figures, to $2,116,000,000, and the further supplementaries for the year amount to roughly $80,000,000, or a grand total of approximately $2,200,000,000. I am sure that every member wants the house to adjourn for Easter by tomorrow night if possible. But we have before us these supplementaries to pass. They include I do not know how many items. I can assure the minister that from this corner of the house there will be no unnecessary delay in considering these supplementaries. There are some very large items being put before us within a week of the end of the fiscal year. We shall want a simple statement explaining why at this stage of the fiscal year $80,000,000 more is required, and why in certain items there is a very large increase asked. I might mention some of them.

Item 564 shows $200,000 required for health of animals. I have no doubt there will be an easy explanation of that item. Item 570 requires $250,000 for Prairie Farm Assistance Act administration. What we want to know in connection with these larger items is the total of the main estimate voted, and why this additional amount is necessary, just one week before the close of the fiscal year. Item 572 is for $6,500,000, "To authorize and provide for payment of subsidies on oats and barley used as feed for livestock—" listen to this—"under such regulations as may be approved by the governor in council". I suggest that that item ought not to be passed unless the government can tell us what regulations it is going to bring into effect with respect to that huge amount of money near the end of the fiscal year. I suggest, with all respect, that we should not be asked to pass

a lump sum like that without knowing what these regulations are which the government may bring into effect after we have gone home.

Let me mention two or three other items. Item 582, under the heading "special", is for $31,500,000 "To provide such amount as is necessary for payment to Canadian wheat board to reimburse that board" for certain items. We shall want to be satisfied about the reason for these larger items.

Here is another one, item 588, $5,000,000 for "government's contribution to unemployment insurance fund". Why could a closer estimate not have been made of the requirements when the main estimates were brought down. How does it come about that within a week of the end of the fiscal year we are asked to provide these additional huge amounts?

One can pick out other items for $100,000, $198,000, $225,000, $250,000. I need not go over them all. Here are two others, items 638 and 639 under the heading "special", $548,000 for the Canadian Commercial Corporation and three-quarters of a million dollars for the Canadian wheat board, to reimburse the board for certain expenses incurred.

Item 649 under the heading "railway service" asks for $1,099,529.39, "additional amount in excess of the sum of $3,042,000 already appropriated, to authorize and provide for the payment from time to time during the fiscal year, 1947-48, to the Canadian National Railway Company", and so forth. I shall not go further on these points now.

I simply say to the minister that in the few hours remaining before we adjourn for Easter we want the responsible ministers to give us a brief but clear explanation of these larger items and a justification for the additional amounts now being asked for. If a satisfactory explanation is given I think we shall all want to help the government get these supplementaries through as expeditiously as possible.

Mr. ABBOTT: I hope that my hon. friend and other members will ask for any explanations they want as we reach the larger items. My hon. friend mentioned item 572 for $6,500,000. That is the item to provide for the payments of the subsidy on oats and barley to eastern feeders, which was paid after the end of the current crop year, namely, July 31, until the subsidy was discontinued on October 23, I think it was. The payment was made in the first instance, in order that they should not have to wait for their money, out of the vote of the Commodity Prices Stabilization Corporation, a subsidy vote, and this vote is to reimburse the payment. We were under substantial pressure from all sides of the house, may I say, to continue that subsidy, but I just give this explanation. This $6,500,000 item represents moneys which have already been paid out of the Commodity Prices Stabilization Corporation vote, as we were entitled to do, and this is a vote to reimburse it.

Mr. BRACKEN: Is the minister saying that this is only a book-keeping item?

Mr. ABBOTT: In effect that is the case. It is in order to reimburse the C.P.S.C. for the amount which we paid out, so that the farmers would not have to wait for their money.

Mr. BRACKEN: Then the amount the minister refers to was appropriated in the main estimates last year.

Mr. ABBOTT: That is correct, and the language of the item is as follows, "In accordance with regulations that may be approved by the governor in council." That is standard language which has been used in this item since the estimate has been included. The main items and these supplementaries all total some $79,000,000, of which items $31,500,000 is to provide for deficits on certain accounts of the Canadian wheat board, and I shall be glad to give particulars of these when we come to them. It is also to provide an additional amount required for the government's contribution of $5,000,000 to the unemployment insurance fund; Canadian National Railways deficit for the calendar year 1947, $15,885,000; additional amounts for subsidies on feed grains, including freight assistance, $10,550,000—

Mr. BRACKEN: What is the number of that item?

Mr. ABBOTT: It is a composite of two or three amounts. It includes the $6,500,000 to which I have been referring, and an additional $4,050,000 which is vote 664, and additional payments to or for veterans and their dependents, $5,827,000. This aggregates, as I have said, $68,762,000 out of a total of $79,000,000, leaving approximately $10,000,000 for the other items.

Civil service commission—

573. Salaries and contingencies of the commission—further amount required, $51,000.

Mr. COCKERAM: I notice there is an increase of $51,000, which is a small amount, but in view of the fact that the total number of employees of the civil service is down by thirty thousand this year, why should there be this increase to the commission?

Mr. GIBSON (Hamilton West): The amount of $51,000 is made up of four items: printing and stationery; cost of holding examinations; advertising; telephone, telegrams and postage. I may say that when the estimate was made early in the year every effort was made to keep it down to the amount that was asked for, and during the year these additional amounts have been incurred and are required before the end of the current fiscal year.

Mr. COCKERAM: How is that made up?

Mr. GIBSON (Hamilton West): At the present time the civil service commission is holding accounts amounting to $23,913. These are accounts that are held outstanding. In addition we have outstanding commitments amounting to $18,086 that will be coming in before the end of the year. It is considered that, with the additional appropriation of $42,000, the commission may be able to take care of the accounts now being held, together with our commitments and our March requirements and the cost of holding examinations an additional amount of $1,300; advertising, $5,200, and telephones, telegrams and postage, $2,500.

Mr. KNOWLES: It is all in the book.

Item agreed to.

External Affairs—Canadian contributions to international or commonwealth organizations—

574. Canada's contribution to the inter-allied reparations agency, $37,750.

Mr. BRACKEN: Will the Secretary of State for External Affairs tell us what the total appropriation for each of these items was in the main estimates? I notice that the proposed increase is a quarter of a million dollars, or to be exact, $246,446. Can the minister tell us the total in the main estimates for each of these items?

Mr. ST. LAURENT: The first item is $37,750. There is nothing in the main estimates for this. This amount is required to cover the Canadian government contribution to the inter-allied reparations agency budget for the calendar year 1948. This payment is required to be made at the beginning of the year and is for the calendar year, 1948. Canada's share of the budget is 3·5 per cent, amounting in Canadian currency to $37,496.27. This is a new item.

The next one is $4,500. This is to enable the Canadian government to pay its contribution of 1948 to the inter-American committee on social security. That is also for the calendar year 1948.

[Mr. Cockeram.]

Mr. BRACKEN: Is this the first item of this kind?

Mr. ST. LAURENT: There were payments made in previous years for the calendar year, but this is the first contribution for the 1948 calendar year.

Mr. BRACKEN: Perhaps the minister will say now if there was a similar item in the main estimates.

Mr. ST. LAURENT: I have not the main estimates here. No; in 1946 there was a contribution for the budget. There was no assessment made for the 1947 calendar year. It is one of the agencies of the I.L.O., and Canada's contribution was assessed for 1948 at $4,411.77.

Mr. BRACKEN: That will be our total?

Mr. ST. LAURENT: That will be our total for the 1948 calendar year.

The next one is $9,021. That is the balance of the Canadian government contribution to the international civil aviation organization for the fiscal year 1947-48. At the time the original estimates were submitted the budget for this organization had not been approved. It was estimated that our contribution would be $125,000. When the budget was submitted and approved by the international labour organization the amount assessed against Canada was $134,021, and this is the difference between what we had thought it might be and what it actually turned out to be. The larger amount, $176,500 is explained in this way. At the time the original estimates were submitted, no information was available as to the amount of Canada's contribution to the international labour organization. We are now informed that the total international labour organization's budget for the calendar year 1948 amounts to $4,425,930, United States dollars. Of 784 units making up the total contributions, thirty-five are assessed against Canada.

Mr. BRACKEN: Making a total cost of—

Mr. ST. LAURENT: Making a total of $176,434.50, Canadian funds.

Mr. BRACKEN: That is our total contribution?

Mr. ST. LAURENT: That is our total contribution for the calendar year 1948.

Mr. MACDONNELL (Muskoka-Ontario): I understood the minister to say a moment ago that when the estimates were made up early in the year there was nothing available to indicate what the budget was or what our share of the budget of the I.L.O. was. I am

not quite sure which the minister said. It surprised me because had we not been subscribing to the I.L.O. for many years?

Mr. ST. LAURENT: We have; but each year there is a budget made up and approved by the organization. There was no budget for the 1948 calendar year available when the main estimates were brought down, and this contribution is payable at the beginning of the year. When the budget is approved the number of units is not changed; the amount is determined as 35/784 of the total budget.

Mr. MACDONNELL (Muskoka-Ontario): What was our contribution last year?

Mr. ST. LAURENT: I have not the figure of what the assessment was.

Mr. MACDONNELL (Muskoka-Ontario): Do we scrutinize in any way the full budget?

Mr. ST. LAURENT: We do. This year we gave special instructions to our representatives at the I.L.O. to scrutinize these, especially the type of budget which was to provide for the travelling expenses of the officers of the I.L.O. We submitted that some of the travelling expenses of these officers looked to us to be rather high. There were visits of inspection paid by these officers to branches in various parts of the world. We had our representatives scrutinize these accounts and the budget was finally established at this amount of $4,425,000.

Mr. MACDONNELL (Muskoka-Ontario): Can the minister let us have, perhaps tomorrow, the amount of last year's subscription?

Mr. ST. LAURENT: Yes, I will get that.

May I just finish the answer to the question asked by the leader of the opposition. There is another item of $875. That is Canada's assessment for membership in the international commission on air navigation. Subscription is from July 1, 1947, to December 31, 1947. Funds had previously been voted to cover the cost of Canada's subscription to the above commission for the years 1941 to June 30, 1947. The international commission on air navigation was established by the convention relating to the regulation of aerial navigation drawn up in Paris in 1919 and was placed under the direction of the league of nations. The functions of this organization were taken over by the international civil aviation organization, and this is the final payment of the assessment to the international commission on air navigation which is now replaced by the other permanent civil aviation international body.

The last item of $17,800 is required to cover the balance of Canada's contribution to the united nations budget for 1947. The 1947 budget for the united nations was established at $27,740,000. United States currency, equivalent to $27,878,700, Canadian. Canada's contribution was based on 3·2 per cent of the budget. Under vote 51 the amount of $895,000 was voted to cover this payment. A further supplementary budget was brought down by the united nations fifth committee in November, 1947, for the amount of $550,947, United States currency. Canada's proportion of that supplementary budget which was brought down last November at the united nations assembly is $17,718.46.

Mr. BRACKEN: I thank the minister for the information he has given us with respect to these six items under his department. I have two other questions now, one of which he can perhaps answer immediately and the other he may not be able to answer at once. The total of these six items in the supplementary estimates comes to $246,000. Can the minister say what Canada's total contribution to all these international organizations amounts to for a year, let us say for the fiscal year in which we now find ourselves? If the minister cannot do that at the moment, I would request that at a suitable time tomorrow he let us know what that total amounts to. Then I think the committee would welcome a brief statement by the minister indicating to what degree and in what manner, if any, we have any say with respect to the total cost of these various international organizations, some three per cent of which, speaking generally, we are expected to pay. When the minister can give answers to those two questions, I should like him to do so.

Mr. ST. LAURENT: I will have a statement made up of the total contributions to these international organizations, perhaps in two chapters: one, the united nations and the agencies of the united nations, and the other, such agencies as have a budget separate from that of the united nations.

Mr. BRACKEN: I think that division would be all right but what I am concerned with is the total contribution of the Canadian parliament to all the international organizations to which we contribute.

Mr. TIMMINS: Will the minister give us some idea as to what this large item of $176,500 consists of?

Mr. ST. LAURENT: It is thirty-five units out of 784—

Mr. TIMMINS: I did not mean in figures. What part does it play in the economy of Canada?

Mr. ST. LAURENT: Canada has been a member of the I.L.O. since 1919. I think a number of people feel that this organization

has served a useful purpose in the world economy. It has provided a large number of conventions for the better protection of the working man in industry. I think it is usually regarded as having served a useful function in the world economy since 1919; and it has continued, notwithstanding the organization of the united nations. It may be—and I am not personally satisfied on that point—that there is now some duplication between the functions of the economic and social council of the united nations, and the I.L.O. That question is being examined, because I think there is room for serious study as to whether there is not overlapping. That study is being made because it is felt that, if these international organizations are to continue to get the support of their respective members, we must be able to satisfy ourselves that they are not duplicating each other's work. When the main estimates are being considered I think I shall be able to give some report of the results of the investigation that we have asked to be made in order to satisfy ourselves that there is no duplication of effort or expenses.

Mr. HAZEN: Can the minister tell us how many paid employees there are in the international labour organizations.

Mr. ST. LAURENT: That information can be obtained. I will make a note of the question and, if there is no other opportunity, I will have the information when we are considering the estimates of the department.

Mr. COCKERAM: Does this item of $176,500 include the cost of delegates from Canada to the convention, or where shall we find that item in the estimates? What was the cost in 1947 of Canadian delegates going to the international labour organization meetings; I have reference to last year's meetings?

Mr. ST. LAURENT: Last year's meetings of the I.L.O.?

Mr. COCKERAM: Yes.

Mr. ST. LAURENT: Only a portion is absorbed by the organization itself. There are portions that are provided out of another vote of the Department of External Affairs. I will have a statement prepared to show what the total expense is, what portion comes out of the budget of the I.L.O., and what portion is an additional contribution by the Canadian government to the travelling expenses of the delegates.

Mr. SKEY: Can the minister say how the executive members of the I.L.O. are appointed?

[Mr. St. Laurent.]

Can he say whether from time to time we have on that executive representatives who are appointees of the Canadian government?

Mr. ST. LAURENT: Yes, we have. There are certain full-time paid officials. When they become paid officials they become international civil servants and are not supposed to represent any country, but the council or the thing that takes the place of a board of directors is a representative body on which we from time to time have representatives and to which we exercise by our vote the right of selection.

Mr. CHARLTON: Is there any contribution to the international federation of agricultural producers?

Mr. ST. LAURENT: I would have to inquire. There is a contribution to the food and agricultural association, the F.A.O., and this may be an agency of it. I would have to inquire whether there is a relationship there.

The CHAIRMAN: Shall items 574 to 579 inclusive carry?

Items agreed to.

Department of finance—

580. General—to provide for the expenses of the comptroller of the treasury's office—further amount required, $50,000.

Mr. MACDONNELL (Muskoka-Ontario): I notice that this is an additional amount for printing and stationery. Can the minister give us an explanation?

Mr. ABBOTT: This is for an increase in the cost of stationery and supplies, in particular such items as cheques and envelopes. In the distribution of the family allowance cheques in 1946-47 the cheques cost $1.85 a thousand and now it is $2.45 a thousand. The increase is related to the increased cost of paper.

Mr. KNOWLES: Another casualty in the path of decontrol.

Mr. MACDONNELL (Muskoka-Ontario): What is the total of the original estimate?

Mr ABBOTT: The main estimate for 1947-48 was $8,652,153 and the expenditures in the previous year, $7,519,098, while in the current year, 1947-48, to February 29, or a month short of the end of the fiscal year, it will be $7,901,970.

Item agreed to.

581. To provide, subject to the approval of the treasury board, for salaries, reclassifications and increases—further amount required, $1,000,000.

Mr. KNOWLES: I wish to direct two questions to the minister under this item. First of all, may I call attention to the fact that for the past number of months there have been several announcements concerning increases in the salaries of civil servants. My first question, therefore, is this: Have all such announcements been made, or are there others yet to be given?

Mr. ABBOTT: There are others yet to be given; a few more.

Mr. KNOWLES: And they will come along soon?

Mr. ABBOTT: I hope so.

Mr. MacNICOL: Will the others that are yet to be given include the stenographic staff? I refer to those who have been in the service for more than ten years?

Mr. ABBOTT: The Speaker will be making a statement before the recess.

Mr. KNOWLES: I have another question under this item. It relates to superannuated civil servants. As the minister knows, strong representations were made about this matter during the whole of last year, following representations in previous years, and last summer the minister promised that definite consideration would be given to the matter. Unfortunately, that consideration resulted in an announcement which the minister made on January 23 of this year, in which he said that the government had decided not to do anything in the way of a cost of living bonus or other supplement for superannuated civil servants. The minister suggested, in answer to a question on the orders of the day on January 27, 1948, that that statement was final. Since that time, as the minister knows, there have been still further representations to the government by various branches of the association of superannuated civil servants and by others interested in the plight that faces these people. May I ask the minister whether, despite his answer on January 27, that the previous statement was final, further consideration has been given the question?

Mr. ABBOTT: Representations have been received, as the hon. gentleman has indicated, but there is no change in the decision taken by the government.

Mr. DIEFENBAKER: Under this head I should like to ask the minister a question in connection with a meeting of the treasury board that took place on November 27, 1947. This item has to do with the provision "subject to approval of the treasury board" for salaries, reclassification and increases. On November 27, Mr. W. D. Lowe was appointed to the position of director of purchases in the Department of Trade and Commerce and, as a result of a meeting of the treasury board, an order in council provided for the appointment as follows:

> The board recommend that—
>
> 1. The following new class be approved:
> Director of Purchasing, Trade and Commerce
> Compensation:
> Annual: $10,000.
>
> 2. Under the provisions of section 59 of the Civil Service Act, the above class be exempt from section 12(2) of the act in so far as the establishment of a salary range is concerned.
>
> 3. That organization of the Department of Trade and Commerce be changed by the creation of a permanent position of director of purchasing, trade and commerce.
>
> 4. Under the provisions of section 59 of the Civil Service Act, the above position be exempt from section 20 of the act in order to provide for the permanent appointment of W. D. Lowe without competition, such exemption to apply to the appointment of Mr. Lowe only.

I should like to know from the minister what justification there is for making provision for appointments such as this outside the civil service commission. Men devote their lives to the civil service and at the end of years of service they find themselves in the position of not obtaining a salary of $10,000 a year. Furthermore, in this particular case, I should like to know whether or not the veterans preference was observed and, if not, why; because I feel that the committee has a right to protest against appointments being made in this way, excepting appointments from the provisions of the Civil Service Act. The result of following this course is simply that it denies the building up of a civil service desirous, by its own efforts, of promoting the public good to the end that promotion shall come to those who, after years of service, have contributed of their best. What representations were made to the treasury board in order to secure an order in council excepting this appointment from the civil service commission, and also how generally is this course being followed?

Mr. HOWE: Perhaps I might answer this question since I am more familiar with the appointment than the Minister of Finance. Mr. Lowe, prior to the war, was on the purchasing staff of the Canadian National Railways, being one of their senior men. He was borrowed by the Department of Munitions and Supply. He was first borrowed by the defence purchasing board from the railway to fill a key post in the purchasing department.

Mr. DIEFENBAKER: What was his salary with the Canadian National Railways?

Mr. HOWE: I do not remember, but it was substantial, perhaps seven or eight thousand a year. This was in 1939. During the war years he was one of the key men in the purchasing department of the Department of Munitions and Supply, in charge of the purchase of general supplies. I suppose in that capacity he purchased goods to a value of something over two billions of dollars on his own direct responsibility. When it was decided that the purchasing for the armed services would be transferred from the Department of Munitions and Supply—or the Department of Reconstruction and Supply, as it was then—to a continuing department, the functions were transferred to the Department of Trade and Commerce.

That department needed a man with experience and capacity to purchase on a scale required for the continuing services. Mr. Lowe seemed to be the obvious man. I might say that purchasing agents who are given the responsibility for purchasing on that scale are not to be picked off on street corners, and are not to be confused with those who ordinarily buy a few hundred thousand dollars worth a year.

Purchasing for the armed services, even in peacetime, runs at a rate of a great many millions of dollars a year. It includes a variety of materials, the purchasing of which requires special knowledge. A purchasing agent must know sources of materials; he must know where they can be obtained. They are not obtained off the shelf; usually they must be manufactured to order. Mr. Lowe had that experience. He happened to be unique in that position. He was known as a man of great skill and much integrity, and he was appointed on the merit system because he was the best man available for the job, by any standards.

Mr. DIEFENBAKER: He was not appointed on the merit system, if I may be allowed to say so.

Mr. HOWE: What is the merit system? Tell me how to appoint them, then.

Mr. DIEFENBAKER: I realize that very few can tell the minister anything today. But I will tell you this—

Mr. HOWE: It so happens I did not appoint Mr. Lowe to his present job.

Mr. DIEFENBAKER: No; I do not know why the minister becomes so much annoyed.

[Mr. Howe.]

Mr. ABBOTT: He was appointed on the recommendation of the civil service commission.

Mr. DIEFENBAKER: He was appointed on the recommendation, according to order in council—certified to be a true copy of a minute of treasury board—

Mr. ABBOTT: He was appointed by order in council on the recommendation of the civil service commission.

Mr. DIEFENBAKER: There is nothing to show any order in council.

Mr. ABBOTT: Whether there is anything to show it or not, that is the case.

Mr. DIEFENBAKER: There was no advertising of the position. And it is against that kind of thing, that arbitrary conduct to get around the provisions of the Civil Service Act, and the rights of veterans who are entitled to preference, that I am protesting.

I am going to ask the minister, now that he is so clear on it, in how many cases within the last six months has there been departure by order in council in this regard from the provisions of the preference to be granted to veterans.

Mr. ABBOTT: I have no idea, but of course it is recognized practice, and has been for years, that in the case of a senior appointment it is made by order in council, but in almost any case, and I know of several of them, on the recommendation of the civil service commission. And the Civil Service Act makes special provision for it.

Mr. DIEFENBAKER: I will say no more than this, that under this government it is true that within the last few years provision under which veterans are entitled has been regularly circumvented, and it is against that kind of thing I protest.

Mr. ABBOTT: My colleague the Minister of Trade and Commerce has pointed out that Mr. Lowe rendered distinguished service to this country during the war years and in a war department, in a vital post, and if any case is one in which the question of veterans preference should not be brought out, let me say that the case of Mr. Lowe is one of those cases.

Mr. KNOWLES: I should like to say one further word to the minister about the matter of superannuated civil servants we were speaking about a minute ago. I appreciate the fact that the Minister of Finance and the government generally have a great many problems

with which they have to deal. Some of them concern matters of high policy and a large number of people. That being the case they feel they have to reach some finality in connection with some of the matters which come before them. I take it that that is the basis upon which they have tried to settle this question of superannuated civil servants. But I implore the minister once again tonight not to close the door on the appeals that these people are making to him.

I note from information given in *Hansard* on February 11 that, not including widows and dependents, there are 786 retired civil servants, people who have served the government of this country, who are receiving pensions of less than $30 a month. Of that number, 274 are receiving pensions of less than $20 a month.

Those numbers, in terms of political weight in the country, are not great. But to each one of those persons the problem of keeping alive on those amounts is as great as any of the tremendous problems facing the government.

I am not asking the minister for a further statement tonight, because anything else he would say tonight would be of the same finality he expressed when he spoke earlier. I do, however, express the hope that he will not close the door on the appeals still being made to him by and on behalf of these faithful federal civil servants.

Mr. MACDONNELL (Muskoka-Ontario): I have one further question.

An hon. MEMBER: Carried.

Mr. MACDONNELL (Muskoka-Ontario): No; just a minute. I want to understand something further about this million dollars. How many classes of employees does it affect? Is it a general sum going over all the civil service?

Mr. ABBOTT: It is a general vote. The committee will realize that preparation of the estimates is begun sixteen or seventeen months before. They are tabled in the house fourteen months before the end of the fiscal year. It is necessary to put in certain blanket items to cover such things as increased salaries which may arise from reclassifications, and so on, during the year.

In the main estimates for the current year there was a blanket item of $500,000. In the further supplementary estimates tabled in June or July there was put in an additional amount of $5,000,000, which makes a total of $5,500,000. This sum of $1,000,000 is an additional amount to take care of further amounts which have been authorized.

I am glad this point has been brought up, because it illustrates the large amounts which are involved in these constant increases in salaries, pensions and one thing and another. At the start of the year you make your estimates on a certain basis and there are changes. That involves increased votes. This is an example of that sort of thing.

Mr. MACDONNELL (Muskoka-Ontario): I am not criticizing that.

Mr. ABBOTT: I understand.

Mr. MACDONNELL (Muskoka-Ontario): I know there is a feeling that we want to get away, and we may not have the proper time to get figures in order to understand this satisfactorily. What we should have here—and I cannot ask for it now—is a good deal of detail showing not only the increases but the adjustments and probably a considerable amount of further information.

Mr. ABBOTT: There is no item in the supplementary estimates which cannot be fully discussed on the main estimates. I referred to an item of $5,000,000 which was discussed when the further supplementary estimates were brought down. I gave a good deal of information at that time. When that item is being discussed in the main estimates again, I can give the fullest breakdown as to detail. However, I understand we are proceeding tonight in accordance with standard practice, that the final estimates the Minister of Finance brings in represent amounts for which it had been necessary to make commitments up to the end of the fiscal year, over and above the estimates originally tabled. For obvious reasons they have to be brought in at the very end and it is not possible, as a rule, to give them the detailed scrutiny one gives to the main estimates themselves.

Mr. MACDONNELL (Muskoka-Ontario): I think it is standard practice, but not all standard practice is good practice.

Mr. ABBOTT: That may be so. But I would have been glad to reach this earlier, may I say.

Mr. CASE: Could the minister say what increase there has been in personnel of staff in the department?

Mr. ABBOTT: I have not that information here. The present over-all picture in the civil service is relatively static, although there have been some reductions in the last month or two.

Mr. CASE: There have been some reductions in the number?

Mr. ABBOTT: Yes.

Mr. CASE: This was to represent an increase in salaries?

Mr. ABBOTT: That is right. We have been increasing salaries right and left.

Mr. BRACKEN: Would the minister give us an answer tomorrow to two questions, the number of civil servants at the present time and the total salaries paid?

Mr. ABBOTT: I think I could give the total number, but the total salaries would be scattered through the different departments. I may be able to get that by tomorrow, but if I cannot I hope my hon. friend will not hold me to that.

Mr. BRACKEN: I thought it would be readily available. If it is not, perhaps we can have it at some other time.

Mr. STEPHENSON: How many employees are in the employ of the government in 1948 and what are the salaries paid?

Mr. ABBOTT: I do not know whether that can be got by tomorrow, but it can be obtained because it is public record. My hon. friend could get it by putting a question on the order paper.

Mr. MacNICOL: Have the amounts of these supplementary estimates that pertain to last year's program been spent?

Mr. ABBOTT: I think it is a fair statement to say that they have been committed. That is the function of supplementary estimates.

Mr. FRASER: The minister said that the number of employees could be obtained by putting a question on the order paper. I put a question on February 25 with regard to the number of men and women in each department. This is March 23 and I have not yet had an answer.

Mr. ABBOTT: It will be forthcoming. There is quite a lot of work involved.

Item agreed to.

Special—

582. To provide such amount as is necessary for payment to the Canadian wheat board to reimburse that board in respect of deficits incurred by it in respect of its accounts specified below:

Crown wheat account—P.C. 7942 of October 12, 1943 and P.C. 1116 of February 20, 1945.

1943 barley equalization fund—P.C. 4450 of June 1, 1943 and P.C. 8898 of November 18, 1943.

1944 oats equalization fund—P.C. 5998 of July 31,1944.

1945 oats and barley equalization funds—P.C. 2550 of April 12, 1945 and P.C. 6238 of September 25, 1945.

1946 barley equalization fund—P.C. 3222 of July 30, 1946 and P.C. 1292 of April 3, 1947.

[Mr. Abbott.]

1944 crop acount, flax division—P.C. 1350 of March 6, 1944.

1945 crop account, flax division—P.C. 2550 of April 12, 1945.

1945, 1944 and 1943 crop rapeseed and sunflower seeds accounts—P.C. 859 of February 9, 1945, P.C. 4131 of June 1, 1944 and P.C. 2894 of April 9, 1943.

1946 crop rapeseed and sunflower seed account—P.C. 3222 of July 30, 1946.

1946 Ontario wheat payments account—P.C. 3212 of July 30, 1946.

the amount payable in respect of the said deficits to be the amount thereof on July 31, 1947, together with interest on such amount at three per cent from that day to the day of payment and not to exceed $31,500,000.

Mr. WRIGHT: This item totalling $31,500,000 refers to certain orders in council. Could the minister give us a breakdown of those figures?

Mr. ABBOTT: I shall be very glad to do that. The figures are:

Crown wheat account	$5,627,481.45
1943 barley equalization fund	539.48
1944 oats equalization fund	4,417.88
1945 oats and barley equalization funds	14,884,537.66
1946 barley equalization fund	6,736,526.97
1944 crop account, flax division	1,048,883.31
1945 crop account, flax division	2,588,504.98
1945, 1944 and 1943 crop rapeseed and sunflower seeds accounts	88,047.06
1946 crop rapeseed and sunflower seed account	79,166.02
1946 Ontario wheat payments account	315,245.40
	$31,373,350.21

Mr. CASE: Why would it not be possible to have all those figures in the column showing the total amount? We have just heard them read and they must have been ready.

Mr. ABBOTT: The figures are only approximate. The figure which is being voted is just a round figure. I am informed that the statements have not yet been audited and there may be some slight variations when the auditors have completed their check.

Mr. MACDONNELL (Muskoka-Ontario): Are the figures which the minister has just read virtually subsidies? They do not represent a deficit in trading account. How are they arrived at?

Mr. ABBOTT: These items are to reimburse the Canadian wheat board for losses suffered by the board during various crop years, where it can be shown either that the particular account has been closed out and the loss finally established, or that the eventual loss will be larger than the loss shown at the end of the crop year. Probably a good illustration is the crown wheat account. This was the account established in September, 1943 when

the government closed the Winnipeg wheat market and took over, in the name of His Majesty, all the wheat then in commercial storage at a price of approximately $1.23 a bushel, basis No. 1 northern in store Fort William/Port Arthur. The account was replenished at a later date by purchases from the board's own wheat account. In general, the losses represent handling and storage charges.

Mr. TIMMINS: That was a small one.

Mr. ABBOTT: That was several million dollars. I am advised that that has been reimbursed to the extent of over $25,000,000, and this represents the balance.

Mr. MACDONNELL (Muskoka-Ontario): The minister says that the amounts are mostly handling and storage charges, but I am not clear as to just how they came to be public charges.

Mr. ABBOTT: I am informed that this wheat was sold virtually at cost and, as I said, this represents handling and storage charges. In a sense, as my hon. friend says, it may be a subsidy to someone. It represents a loss which the Canadian wheat board took in handling this wheat.

Mr. WRIGHT: I would point out to the hon. member for Muskoka-Ontario that it was a subsidy to the people who bought the grain, not to the producers of the grain.

Mr. MACDONNELL (Muskoka-Ontario): I am just anxious to find out what it is.

Mr. HARRIS (Danforth): I should like to make an observation in two or three sentences. In my opinion it is confusing to mix up in this special item or in any estimate two distinct lines of activity in Canada's economic production. Here we have wheat, barley, oats, and then you switch into another line of activity altogether, namely, flax, which is a product that produces oil. The production of oil from sunflower seed and rapeseed, and even from flax seed will be of some magnitude. It will be something that will engage the attention of this house in the future. As oil production from the Pacific islands and Africa increases by leaps and bounds, it will come into direct competition with oil from sunflower seed and rapeseed and flax. I would suggest that in presenting these estimates in the days to come the wheat board be asked to separate these two lines of activity. There is a tremendous industry that is almost being subsidized in Canada, which at least gets a heavy depreciation allowance. I refer to the pressing out of oils. In the days to come, let us have those two items separate.

Mr. ABBOTT: I doubt if there will be items of this kind recurring. They all arise out of wartime activities authorized by order in council. They do not cover the ordinary operations of the wheat board. In this case the board is acting as the agent of the government in implementing various phases of government policy; but the main function of the wheat board, as the committee knows, is to act as marketing agent for the producers of wheat. Here they acted in a special capacity as agents for the government of Canada in carrying out special policies relating to the crown wheat account, the oats and barley equalization funds and other items. But the losses, if any, or the moneys which have been expended had to be taken care of out of public moneys, and not out of the proceeds of the sale of current crops of wheat.

Mr. CASE: These items go back to 1943. Why have deficits been allowed to accumulate so long? You are paying four per cent interest, which is more than was paid on victory bonds and many other government loans.

Mr. ABBOTT: The interest rate is three per cent.

Mr. CHARLTON: What is the need for so much haste in paying these accounts now? Why were they not paid previously? There is a $5,000,000 item at three per cent for 1943, crown wheat account. The oats equalization fund goes back to 1944. Why have these accounts been allowed to run on?

Mr. ABBOTT: We have paid something each year; and this is a final clean up, a series of adjusting items in these various accounts. Take, for instance, the crown wheat account. The deficit on the operations as of July 31, 1947, was over $31,000,000, on account of which there had been paid through different years, $25,861,000. There have been adjustments over the years, and this is a clean-up item. These were very large operations.

Mr. CHARLTON: All the more reason why we should not be asked to pass them in a very few minutes when they have been allowed to run on now for five years.

Mr. ABBOTT: We have been making payments on these accounts each year, and I am now trying to have them cleaned up.

Mr. HARRIS (Danforth): Is the treasury board quite satisfied?

Mr. ABBOTT: Yes, and the final payment is subject to audit. That is why we are putting in a round figure slightly in excess of the statements furnished to us by the board.

Mr. MACDONNELL (Muskoka-Ontario): As the minister has stated, this represents a clean-up. We cannot deal with these items intelligently in ten minutes. If we have any duty at all it is a far greater duty than just to pass these accounts sight unseen. They are in a very different category from many of these other items.

Mr. ABBOTT: I have a great deal of information I am quite ready to give and to answer any questions hon. members may ask. Let us spend the next fifteen minutes in discussing this item.

Mr. JACKMAN: In my ignorance I must ask this question. To whom is the money owed?

Mr. ABBOTT: It is owed to the Canadian wheat board, which has been acting in this case as agent for the government of Canada.

Mr. JACKMAN: To whom in turn does the Canadian wheat board owe the money, and how did the Canadian wheat board come to have $31,000,000 on hand?

Mr. ABBOTT: Either out of surplus moneys which the board had on hand or from bank loans which it made.

Mr. TIMMINS: They must be bank loans if you are paying interest on them. To whom are you paying interest?

Mr. ABBOTT: We are paying interest to the farmer on the money which he has outstanding.

Mr. CHARLTON: The farmer has not been getting any interest on the money owed to him. What is the amount which the wheat board owes to the farmers of this country? The government is paying this money to the wheat board at three per cent, which is more than the farmers have got on their money.

Mr. ABBOTT: I am informed that this money benefits the farmer because it goes into the general fund of the wheat board. The amounts which are paid in cover the amounts which the board has disbursed, plus interest at three per cent from the time of disbursement. If this money is not paid the farmer could not get it.

Mr. ZAPLITNY: If on the same type of transaction the wheat board had made a profit of several million dollars, would it come back to the government or go into the wheat board fund?

Mr. ABBOTT: It would depend. In the oats and barley equalization fund it would have gone to the benefit of the farmer. But in this case the payments which were made to the farmers at the time of delivery exceeded the amounts which were collected out of the export permits, and the government or the taxpayers made up the difference. If the transaction had resulted in a profit there would have been a distribution to the farmers. It was a case of "heads I win, tails you lose", so far as the farmer is concerned.

Mr. CARDIFF: Is this why the farmers were not paid a more substantial initial payment? Was it because the government wanted to use the farmers' money for something else?

Mr. ABBOTT: This has no relation to the initial payment. The farmer gets everything coming to him, plus three per cent. His only quarrel could be whether the three per cent was high enough, and I would think it was.

Mr. TIMMINS: Why do these items come in the supplementaries? Why were they not dealt with in the main estimates?

Mr. ABBOTT: The reason was to get as close as possible to the year to which it relates.

Mr. LOCKHART: What are the main details of these items, so that we may get the over-all picture?

Mr. ABBOTT: I gave the details a few moments ago.

Mr. LOCKHART: The minister referred to the oats and barley equalization figures.

Mr. ABBOTT: I have already dealt with the crown wheat account. So far as the oats and barley equalization funds are concerned, there are four accounts here: barley for 1943; oats for 1944; oats and barley for 1945, and barley for 1946. All these losses arose because the advance equalization payments made to farmers at time of delivery in those years exceeded the amounts collected by the board out of equalization fees on exports. Equalization fees represented the difference between domestic ceiling prices and prices prevailing in export markets. In some years, of course, the funds showed a surplus which was or will be distributed to growers.

Mr. TIMMINS: That means that we sold the oats and barley for less than we paid the farmers.

Mr. ABBOTT: No. The farmer sold at the price ceiling, and received an advance equalization fee. That equalization fee was an estimate of what would be realized out of the oats and barley exported to the United States or elsewhere. When the oats and barley were exported the wheat board or the government made a charge for the export permit represent-

ing, broadly speaking, the difference between the domestic ceiling and the price received in the export market. The proceeds of these export permits were put into this equalization fund, and if the total exceeded the advance equalization fees paid to the farmers, there was a distribution made. It it was less, the farmer got his advance payment anyway, and we did not try to recover from him.

Mr. BURTON: Had the wheat board, acting as agent for the government, sold more of the grain on the export market or charged the domestic consumers accordingly, you would not have had that loss. Because of these actions, the people who bought from the wheat board got the grain at that much lower price.

Mr. COCKERAM: The minister is to give us some information on the flax?

Mr. ABBOTT: Yes, 1944-45; the price realized by the board from the sales of flaxseed fell short of the price paid to the farmers at the time of delivery.

Mr. COCKERAM: By how much?

Mr. ABBOTT: By the figure I gave; it is in *Hansard*.

Mr. COCKERAM: That is for the two periods, 1944 and 1945?

Mr. ABBOTT: That is a clean-up item, but I shall give the breakdown of it. The deficit on operations—this is the 1944 crop and the flax division—as at the 31st July, 1947, was $4,197,805.44. The amount which had already been paid to the board by the dominion and voted was $3,169,616.91, leaving a balance of $1,028,188.53, the vote that we are asking for in this supplementary vote.

Mr. COCKERAM: In 1945—

Mr. BURTON: Will the minister inform some of the hon. members who seem to be concerned that it was the policy of the government to sell flaxseed at this price?

Mr. ABBOTT: I should be glad to do that. It is not my department. Perhaps that question might be addressed to the Minister of Trade and Commerce. I have to find the money for it.

Mr. BURTON: Inform the hon. members that it was the policy of the government to provide linseed oil and so forth from the flax to the consumers of Canada at prices below what it could have commanded elsewhere.

Mr. ABBOTT: That is perfectly right. The same principles applied to rapeseed and sunflower seed. The prices realized by the board on the sales of these seeds fell short of the price paid to the farmers at the time of delivery. As the hon. member for Humboldt has pointed out, it was all pursuant to the maintenance of ceiling prices in Canada.

Mr. COCKERAM: Will the minister give me the 1945 flaxseed figures?

Mr. ABBOTT: Yes. Deficit on operations to the 31st July, 1947, $2,537,433.04; due to the Canadian wheat board that amount, plus the interest.

Mr. ROWE: In view of the fact that there was a loss of $6,500,000 on barley, was the fullest advantage taken that could be taken of the prices of malting barley in the United States?

Mr. ABBOTT: Yes.

Mr. ROWE: What price?

Mr. ABBOTT: I have not that information here; the going price, at the time the malting barley was sent down there.

Item agreed to.

Justice—Office of the commissioner of penitentiaries—pensions and other benefits—

584. To provide for a compassionate allowance to Mrs. Olevia Sullivan, widow of George Sullivan, deputy warden, Kingston penitentiary, equal to one-half of the gratuity to which deputy warden Sullivan would have been entitled had he chosen to resign, $6,234.38.

Mr. COCKERAM: Will the minister explain this item?

Mr. ABBOTT: This is an item of the Minister of Justice. He is not here. Perhaps I can get the information. The language of the item is fairly self-explanatory. I have some data on it here. This is an item which was approved in November, 1947, by the treasury board for inclusion in the 1947-1948 supplementary estimates. The circumstances are these. Deputy Warden Sullivan died suddenly on the 9th of March, 1941. He had reached the age of sixty-five on April 23, 1940. He was exempted from the provisions of P.C. 1/1561 for a period of one year. The reason for extension was the acute shortage of experienced officers at Kingston. He had completed over forty-six years service. Had he retired at age sixty-five, he would have received a gratuity of $12,112.50 and had he retired immediately prior to his death, the amount would have been $12,568.75. There are similar previous cases of officers who died in service and in which cases one-half of the allowable gratuity was paid. I do not know whether my

hon. friend wants the precedents; but there are a number of them.

Mr. COCKERAM: These people are not on the pension fund.

Mr. ABBOTT: No; this is a case where there was a gratuity available. It was one of those unfortunate cases where, by reason of the shortage which existed at the time, and he having continued in service, he got less than he would have received had he left the service and taken his cash gratuity.

Mr. JACKMAN: Is it a lump sum or an annual payment?

Mr. ABBOTT: A lump sum.

Item agreed to.

Labour—Annuities Act—

585. Administration—further amount required, $59,000.

Mr. MACDONNELL (Muskoka-Ontario): One of the items in this amount of $59,000 is commission to agents. That is under the Annuities Act, apparently. Is that substantial increase due to additional business done?

Mr. MITCHELL: It is due to extension of the business.

Mr. COCKERAM: What was the increase in the business?

Mr. MITCHELL: I have not the figures in front of me. I can give approximately the total amount of business at the moment; it is about $3,250,000.

Mr. MACDONNELL (Muskoka-Ontario): What is the commission?

Mr. MITCHELL: It is a graduated scale I could not give that figure. When the main estimates come down I will give it.

Mr. JACKMAN: The harder you work, the less you get.

Mr. MITCHELL: That may be true.

Mr. CASE: Is the annuities branch now considered to be on a sound actuarial basis?

Mr. MITCHELL: I would say so, yes.

Mr. CASE: The item asks for a further amount for administration. You are asking parliament to vote that. Will the branch need assistance, then?

Mr. MITCHELL: I think it is generally understood that the government carries the administration of the branch, and this is to pay for the administration.

Item agreed to.

[Mr. Abbott.]

Mr. MANROSS: Item 586 asks for $1. If you will explain that we shall call it eleven o'clock.

Progress reported.

Resolutions reported, read the second time and concurred in.

BUSINESS OF THE HOUSE

Mr. BRACKEN: Will the minister tell us what the business will be tomorrow.

Mr. ABBOTT: We shall take, first, second reading of the two excise tax bills and the amendment to the Customs Tariff Act. I hope to proceed with these through committee and perhaps give them third reading. Then we shall take up interim supply and I hope complete consideration of these supplementary estimates which will be followed then by the supply bill.

Mr. BRACKEN: Have the bills been distributed?

Mr. ABBOTT: They will be tomorrow.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply]:

FURTHER SUPPLEMENTARY ESTIMATES FOR THE FISCAL YEAR ENDING MARCH 31, 1948

Civil service commission—

573. Salaries and contingencies of the commission—further amount required, $51,000.

External affairs—Canadian contributions to international or commonwealth organizations—

574. Canada's contribution to the inter-allied reparations agency, $37,750.

575. Canada's contribution to the inter-American committee on social security, $4,500.

576. Canada's contribution to the international civil aviation organization—further amount required, $9,021.

577. Canada's contribution to the international labour organization, $176,500.

578. Canada's contribution to the international commission on air navigation, $875.

579. Grant to the united nations organization for 1947—further amount required, $17,800.

Finance—General—

580. To provide for the expenses of the Comptroller of the Treasury's office—further amount required, $50,000.

581. To provide, subject to the approval of the treasury board, for salaries, reclassifications and increases—further amount required, $1,000,000.

Special—

582. To provide such amount as is necessary for payment to the Canadian wheat board to reimburse that board in respect of deficits incurred by it in respect of its accounts specified below:

Crown wheat account—P.C. 7942 of October 12, 1943 and P.C. 1116 of February 20, 1945.

1943 barley equalization fund—P.C. 4450 of June 1, 1943 and P.C. 8898 of November 18, 1943.

1944 oats equalization fund—P.C. 5998 of July 31, 1944.

1945 oats and barley equalization funds—P.C. 2550 of April 12, 1945 and P.C. 6238 of September 25, 1945.

1946 barley equalization fund—P.C. 3222 of July 30, 1946 and P.C. 1292 of April 3, 1947.

1944 crop account, flax division—P.C. 1350 of March 6, 1944.

1945 crop account, flax division—P.C. 2550 of April 12, 1945.

1945, 1944 and 1943 crop rapeseed and sunflower seeds accounts—P.C. 859 of February 9, 1945, P.C. 4131 of June 1, 1944 and P.C. 2894 of April 9, 1943.

1946 crop rapeseed and sunflower seed account—P.C. 3222 of July 30, 1946.

1946 Ontario wheat payments account—P.C. 3212 of July 30, 1946.

the amount payable in respect of the said deficits to be the amount thereof on July 31, 1947, together with interest on such amount at three per cent from that day to the day of payment and not to exceed $31,500,000.

Justice—office of the commissioner of penitentiaries—pensions and other benefits—

584. To provide for a compassionate allowance to Mrs. Olevia Sullivan, widow of George Sullivan, deputy warden, Kingston penitentiary, equal to one-half of the gratuity to which deputy warden Sullivan would have been entitled had he chosen to resign, $6,234.38.

Labour—Annuities Act—

585. Administration—further amount required, $59,000.

586. To provide authorization for refund, out of the government annuities fund, of the amounts of overpayment of premiums received under annuity contracts 68181 and 88825 plus interest at the rate of 1½ per cent to the date of such refund, $1.

HOUSE OF COMMONS

Wednesday, March 24, 1948

The house met at three o'clock.

VETERANS AFFAIRS

Second report of special committee on veterans affairs.—Mr. Tucker.

OATS

EQUALIZATION PAYMENT ON GRAIN MARKETED FROM AUGUST 1, 1946, TO JULY 31, 1947

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I desire to announce that an equalization payment of 3·623 cents per bushel will be made to western producers who marketed oats in the period from August 1, 1946, to July 31, 1947. The total payment will amount to $3,762,031.39 and will be made on 103,837,466 bushels. During the entire crop year an amount of $10,971,544.46 was collected in equalization fees. It will be remembered that an advance equalization payment of 10 cents per bushel, amounting to $7,227,341.55, was made on oats deliveries from August 1, 1946, to March 17, 1947, when the maximum price was increased and no further advance equalization payments made. As soon as the cheques can be written they will be sent to the handling companies, who will distribute them to the producers.

Mr. SMITH (Calgary West): Mr. Speaker, I should like to ask the Minister of Trade and Commerce a question, because I did not hear precisely what he said with respect to oats and barley. I have tried to get a copy of his statement, but it has gone to *Hansard* and so I must ask for the information. The minister spoke of three cents odd on oats. Do I understand that that is to come from the equalization fund or from funds to be voted by the parliament of Canada? The equalization fund, as I understand it, arises from permits granted on oats and barley.

Mr. HOWE: The money comes from the equalization fund. Hon. members will recall that at the beginning of the crop year 1946-47 an equalization fee of ten cents was paid on all purchases. Later in the year the price was adjusted, and accordingly that equalization fee was dropped. But there remained an equalization fund equivalent to some three and a half cents a bushel applying to the total deliveries of the crop. It is that sum that is being paid out at this time.

NATIONAL DEFENCE

STATEMENT ON STRENGTH AND RECRUITING OF ARMED FORCES

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, in view of its importance in the national interest I feel that hon. members will wish me to make a statement on the strength and recruiting for the active (or permanent) and reserve forces.

The authorized strength of the three services of the active forces is 42,145 officers and men. At the end of February the strength was 34,276, which is more than three times as large as at the outbreak of war in 1939. This number represents 80 per cent of the strength at present authorized. It is interesting to note that the proportion of regulars on strength compared with the target for March 31, 1949, is the same in Canada as in the United Kingdom. Unlike other countries which still have men who were enlisted for the duration of hostilities or who were called up for a limited period, all Canadian forces are permanent or regular.

It may be pointed out that in Canada as in other countries there has been a tendency since the war to use civilians for work which was previously performed by service personnel but which is obviously of a civilian character. This includes cooks, mess orderlies, clerks, certain mechanics, firefighters and other occupations of a civilian character at permanent establishments. Other civilians are engaged at prevailing rates in the dockyards at Esquimalt and Halifax in constructing married quarters and in general maintenance work.

The present strength of the army reserve forces is 33,369, with 1,829 C.O.T.C., making a total of 35,198. In the naval reserve there are 2,112, with 1,033 in the university naval training division, making 3,145. The air force auxiliary with 722 men is beginning to set up squadrons as ground crews and planes become available.

The total figures for the navy and army reserves and air force auxiliary are about the same as they were up to the period immediately before the war. But now there are also more than a million men and women in Canada who have had military service in the second world war, including a higher proportion of trained air crew than in any other country.

Last September a campaign to obtain recruits was set under way across Canada and has since been continued. This campaign included distribution of information, radio and newspaper publicity, exhibitions and parades.

The recruiting campaign has shown good results. During the year 1947 there were 31,688 approaches for active service in the three forces, resulting in 9,240 enlistments. The largest cause of rejection was the high educational standard required for the three services.

The standard has been junior matriculation or its equivalent. This was considered desirable because of the highly technical nature of work in the forces, particularly as a major part of the role of the active forces is related to administration and training. The active forces will serve as a nucleus about which to build a very much larger force should the need arise.

The problem of educational standards is serious. It has been estimated that each year about 6,500 physically fit boys reach 17½, who have junior matriculation and who do not go on to senior matriculation or the universities. To fill up our ranks with boys of this standard would take virtually all the boys having these qualifications—even then we would not have enough. As it has turned out, we have been getting a very fair proportion. But steps are now being taken to reduce or adjust the educational standards so as to broaden the field; at the same time we shall increase facilities for in-service general education so as to achieve by one means or the other the standards that are necessary.

As to the flow of recruits, this year up to the 15th March, we have obtained a total of 1,625 recruits, of which approximately half are for the army alone. The flow into the army is at the rate required to keep the recruit schools full and to complete the authorized establishment by the time planned. The flow into the navy and air force is less than we require.

Parents and young men should realize that joining our navy, army and air force gives an opportunity for (1) service to Canada; (2) a career with good rates of pay and conditions of service; (3) continuing education and developing trade and other skills; and (4) an excellent pension at a relatively early age.

I am convinced that young men will come forward to fill up the ranks of the active forces.

We also want all the men we can get for the reserve navy and army and the auxiliary air force. The reserve forces are a major part of Canada's defence forces. In the event of an emergency the reserves would again constitute the framework for the organization of larger active forces. Reserve force training is service of real national importance which should appeal to all young Canadians who are physically fit and are willing to offer their services for part-time training.

Attention should also be called to the remarkable opportunities for training as officers offered in the Canadian service colleges at Royal Roads and R.M.C., Kingston. This year there will be a number of vacancies for boys having senior matriculation or its equivalent. Application should be made by the twenty-second of May. Pay received for summer training should cover the whole cost of education for the second and subsequent years. By this means and through the university officers training plans, it is believed that we will have a large force of highly qualified officers with standards never excelled in this or any other country.

There is no necessity of pointing out today that either from the short or the long term point of view, active and reserve forces of the character which I have described are needed so that we can be ready to meet any emergency and maintain the existence of our country and the freedom of our people, so that we shall continue to say what kind of life we want to lead.

I hope that this effort to fill up our ranks will have the support of all parties, of all veterans of the two wars, and of the country as a whole.

Mr. COCKERAM: The Minister of National Defence in his statement said that a time limit had been planned for the recruiting campaign. When does that time limit expire?

Mr. CLAXTON: I do not know what the hon. member has in mind because I did not make such a statement. With respect to recruitment for the army, the estimates are planned on the basis that it will be brought up to strength by March 31, 1949. I have not the dates for the navy and air force, but they are approximately the same.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 174, to incorporate The Canadian Association of Optometrists.—Mr. Winters.

Bill No. 175, for the relief of Winifred Audrey Meyer Holton.—Mr. Maybank.

Bill No. 176, for the relief of Chester Adam Hart.—Mr. Maybank.

Bill No. 177, for the relief of Marie Marguerite Cecile Gagnon Lescadres.—Mr. Maybank.

Bill No. 178, for the relief of Samuel Reinhardt Lewis.—Mr. Maybank.

Bill No. 179, for the relief of Ersilia Pace Imonti.—Mr. Maybank.

Bill No. 180, for the relief of Helen Rose Noel Steele.—Mr. Maybank.

Bill No. 181, for the relief of Edith Saltzman Rashkovan.—Mr. Maybank.

Bill No. 182, for the relief of Ida Malfara Romanelli.—Mr. Maybank.

HOUSE OF COMMONS

SALARY INCREASES TO EMPLOYEES—ACTION FOLLOWING EASTER ADJOURNMENT

Mr. SPEAKER: I should like to make a statement to the house. Before the Easter adjournment it is considered desirable to reassure the staff of the house that revisions in salary rates for those classes which have not already been revised are under consideration now by the commissioners of internal economy, and it is expected that a resolution will be introduced within a few days after the Easter adjournment implementing the decision now under consideration.

The revisions so made will be dated back to October 1 in the same way as those already made by the civil service commission.

ARRANGEMENT WITH RESPECT TO EASTER ADJOURNMENT

On the order, "Government notices of motion":

That when this house adjourns on Wednesday, March 24th instant, it stand adjourned until Tuesday the 30th instant.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, may I say just a word on this motion. I think the motion had better be held until we see what progress is made this afternoon. If by any chance the house should not have concluded its discussion at six o'clock I shall move before that time that the house be not adjourned at six. That may or may not receive the approval of the house, but I imagine most hon. members are anxious to conclude today the measures we have been discussing.

Hon. members will understand that where assent to bills is required, arrangements have to be made with the other chamber in advance, also with the deputy of the governor general for his presence in the other chamber at a definite time. For that reason, if we are to conclude today, some little time will be required after we have finished our proceedings, to complete the final arrangements for assent to bills in the other chamber. If we do not conclude today, the house will sit tomorrow in the regular way.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I say a word to the Prime Minister?—and I would not raise this question at the moment if it were not likely that this will be the last sitting before the Easter recess. In view of the reported vital change in Bill 135 by a committee of the other place, what does the government propose to do to ensure that we get this measure through before we adjourn for Easter? This is a most important matter to western Canada.

Mr. MACKENZIE KING: I am sure that no one can say at the moment what is the position in the other house of the particular measure to which my hon. friend has referred. After we know what progress has been made there, I can perhaps give a definite reply.

Mr. COLDWELL: We shall not adjourn until we do know.

Mr. MACKENZIE KING: We want to get that measure through.

Mr. KNOWLES: It might be a good time for senate reform.

Mr. BRACKEN: I suggest that if the Minister of Trade and Commerce (Mr. Howe) reconsidered his proposal and divided the bill, we might get one part through both houses.

Mr. HOWE: We will get it all through.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MINE, MILL AND SMELTER WORKERS—ENTRY OF CERTAIN OFFICIALS INTO CANADA

Mr. HAZEN:

1. Have the following officials of the International Union of Mine, Mill and Smelter Workers entered Canada in the past three months: Reid Robinson, Harvey Wildman, Rudy Hansen, Henry Horowitz, George Knott?
2. If so, under what conditions did they enter?
3. How long are permits granted to persons of non-Canadian citizenship for temporary work?
4. What are the conditions imposed for entry of persons under this category?

Mr. MacKINNON:

1. and 2. Reid Robinson entered Canada on the 24th day of January, 1948, and departed on the 2nd day of February, 1948, as accredited representative of the International Union of Mine, Mill and Smelter Workers. He entered again on March 4, 1948. Recently he has been taken into custody for examination by a board of inquiry under the provisions of the Immigration Act.

Harlow (Harvey) Wildman entered Canada on the 3rd day of June, 1947, as accredited

representative of the International Union of Mine, Mill and Smelter Workers. Within the last few days Mr. Wildman has informed the department that his union has assigned him to other work in the United States.

Rudy Hansen entered Canada on July 19, 1947, as accredited representative of the International Union of Mine, Mill and Smelter Workers.

Henry Horowitz entered Canada November 26, 1947, as a newspaper representative destined to R. Carlin, Kirkland Lake, Ontario.

George Knott entered Canada November 26, 1947, as accredited representative of the International Union of Mine, Mill and Smelter Workers, destined to R. Carlin, Kirkland Lake, Ont. He has since applied for a permanent landing. This application will be considered by a board of inquiry.

3. There is no fixed period. Such persons are admitted for the temporary exercise of their respective callings.

4. They are admissible if they do not come within the prohibited classes provided by the Immigration Act. No special conditions are imposed.

HOUSING—RENTAL APPEALS

Mr. WHITE (Middlesex East):

1. How many rental appeals in respect of homes, housing and domestic establishments have been heard and adjudicated upon, by provinces, in each year and to date since the inception of rent control?

2. How many were heard before county and district court judges?

3. How many, by provinces, have been determined in favour of (a) the landlord; (b) the tenant?

4. In how many such appeals, by provinces, was there an application for (a) increase of rental; (b) decrease of rental?

5. Of such appeals mentioned in question 3, by provinces, were (a) increases of rental granted; (b) decreases of rental granted?

Mr. ABBOTT: One of my parliamentary assistants spoke to the hon. member and he has agreed to drop this question.

Mr. SPEAKER: Dropped.

Mr. WHITE (Middlesex East): I am not going to drop it; I revised it and it is back on the order paper.

Mr. ABBOTT: Dropped for rewording.

Question dropped.

GRANBY, QUE., MUNITIONS PLANT

Mr. BOIVIN:

1. What was the total cost of the plant built and equipped by the government of Canada about 1940, at Granby, province of Quebec, and used during the war for the manufacture of munitions?

2. For what amount was it sold?

[Mr. MacKinnon.]

Mr. McILRAITH:

1. The total cost of the plant fully equipped, including machinery, installation costs, ground improvements, fencing, etc., amounted to $387,274.41.

2. This question is answered in two parts—(a) and (b), covering the land, buildings and equipment only:—

(a) By order in council P.C. 7363, December 8, 1945, the land and shells of buildings (excluding all heating equipment, outside piping, pipe lines, piles and equipment, transformers, electrical panel boxes and coal) sold to the city of Granby for $12,500.

At time of sale the city of Granby was using such buildings as were suitable for the purpose of emergency shelter and yard.

(b) Equipment: Regarding the sale of equipment, we are unable to supply dollar values as all movables from the lots and buildings were transferred to warehouses from which locations such equipment would be sold.

FOREIGN EXCHANGE CONTROL—CANADIANS TAKING UP RESIDENCE IN U.S.

Mr. HAZEN:

1. How many persons left Canada in 1947, and went to the United States, with the intention of permanently residing there?

2. What was the total amount of Canadian currency and securities these people were permitted to take with them, or convert into United States currency?

3. How many of these people were permitted to convert into United States funds (a) over $50,000 Canadian currency; (b) $40,000 to $50,000 Canadian currency; (c) $30,000 to $40,000 Canadian currency; (d) $20,000 to $30,000 Canadian currency; (e) $10,000 to $20,000 Canadian currency; (f) $5,000 to $10,000 Canadian currency?

Mr. ABBOTT: Under the Foreign Exchange Control Act and regulations, a resident of Canada desiring to leave Canada permanently and transfer his assets from Canada is required to apply to the foreign exchange control board for change of status from a "resident" to a "non-resident" for foreign exchange control purposes. Information is not available as to persons applying for change of status to take up permanent residence in the United States as distinct from other United States dollar area countries although the large majority of applications are by persons desiring to take up permanent residence in the United States.

No permit from the board was required by a resident leaving Canada with not more than $150 (including not more than $100 in U.S. funds) up until May 1947, and $25 (including not more than $10 in U.S. funds) since that time. The information available does not

include residents who may have left Canada for permanent residence in the United States or elsewhere who took with them not more than these amounts during the periods indicated but did not make application for change of status.

In addition, a family group is normally dealt with under one application for change of status and no record has been kept of the number of individuals covered by such applications.

Subject to the foregoing, the replies to the questions are as follows:

1. Number of applications approved for change of status for persons leaving Canada to take up permanent residence in United States dollar area countries—19,315.

2. The total amount of Canadian dollars and securities declared in the applications referred to in the answer to question No. 1 and authorized to be transferred from Canada was $46,305,464. Information is not available as to the amount of Canadian dollars and securities which were actually transferred from Canada.

United States dollars are not provided out of Canada's reserves at the official rate of exchange for transfers of capital from Canada by persons leaving Canada to take up permanent residence elsewhere, except for a small amount per applicant to meet travelling and initial expenses. The amount of United States dollars made available by the board for this latter purpose was $6,565,689. The balance was authorized for transfer from Canada only in the form of Canadian domestic securities or in Canadian dollars which the owner, upon becoming a non-resident, could convert into United States dollars in the unofficial market in the United States.

3. No applicant for change of status was permitted to convert $5,000 or more into United States funds in Canada at the official rate of exchange.

UNEMPLOYMENT INSURANCE—RED DEER OFFICE

Mr. SHAW:

1. During 1947 how many unemployed persons registered at the national employment service office, Red Deer, Alberta?
2. How many applications for benefits under the Unemployment Insurance Act were received by the Red Deer office during 1947?
3. Of the applicants, how many were granted unemployment insurance benefits?
4. Of those refused such benefits, how many appealed the decision?
5. Of these appeals, how many decisions were reversed by the court of referees?
6. In how many cases were the decisions of the court of referees appealed?
7. Did the umpire in any instance reverse the decision of the court of referees?

Mr. COTE (Verdun):

1. 1,857.
2. 572 initial claims; 53 renewal claims.
3. 515.
4. 25.
5. Nil.
6. (a) By insurance officer—nil; (b) By claimant—one.
7. No.

Note: In these figures it is possible quite a number are "repeaters", but we have no way of determining how many.

NATIONAL REVENUE—CUSTOMS AND EXCISE OFFICE, LONDON, ONT.

Mr. MANROSS:

1. What was total number of employees in Department of Customs and Excise in London in each year 1942, 1943, 1944, 1945, 1946 and 1947?
2. What was total payroll in each of these years?
3. What was total amount of customs and excise taxes collected at London in these years?
4. What is total number of employees now?

Mr. WINTERS:

1.

Fiscal year	Number of Employees
1941-42	33
1942-43	32
1943-44	28
1944-45	30
1945-46	32
1946-47	35

2.

Fiscal year	Total Payroll
1941-42	$65,542.00
1942-43	67,353.21
1943-44	63,658.05
1944-45	64,290.29
1945-46	68,827.72
1946-47	76,562.46

3.

Fiscal year	Total Revenue
1941-42	$11,376,569.78
1942-43	14,783,111.03
1943-44	13,800,861.31
1944-45	13,134,488.96
1945-46	13,545,189.17
1946-47	14,942,829.95

4. As of March 17, 1948—36.

MOTOR VEHICLES—FEDERAL TAX

Mr. CRUICKSHANK:

1. What was the cost of a standard Chevrolet sedan in Vancouver on March 13, 1940, and what was the total federal tax collected as of that date?

2. What was the cost of a standard Chevrolet sedan in Vancouver on March 13, 1948, and what was the total federal tax collected as of that date, 1948?

Mr. WINTERS:

1. The department has no information as to the cost of the car in question; on March 13, 1940, the federal tax on automobiles was: fifty dollars—five per cent.

Excise tax—Automobiles adapted or adaptable to passenger use: (a) valued at not more than six hundred and fifty dollars—free; (b) valued at more than six hundred and fifty dollars, on the amount in excess of six hundred and fifty dollars—five per cent.

Provided that the tax collected under paragraph (b) above shall in no case exceed two hundred and fifty dollars per automobile.

Sales tax—Eight per cent.

Both the foregoing taxes apply on the Canadian manufacturer's sale price, or on the duty paid value if imported.

2. The department has no information as to the cost of the car in question; on March 13, 1948, the federal tax on automobiles was:

Excise tax—(a) Automobiles adapted or adaptable for passenger use, with seating capacity for not more than ten persons each, valued at twelve hundred dollars or less—twenty-five per cent.

Over twelve hundred dollars but not more than two thousand dollars—twenty-five per cent on twelve hundred dollars plus fifty per cent on the amount in excess of twelve hundred dollars;

Over two thousand dollars—twenty-five per cent on twelve hundred dollars plus fifty per cent on eight hundred dollars plus seventy-five per cent on the amount in excess of two thousand dollars.

Sales tax—Eight per cent.

Both the foregoing taxes apply on the Canadian manufacturer's sale price, or on the duty paid value if imported.

SICK MARINERS' DUES

Mr. LESAGE:

1. What Canadian seamen and fishermen, if any, are covered by part V of the Canada Shipping Act, administered by the Department of National Health and Welfare?

2. Do the sick mariners' dues paid by coasting, government and fishing vessels of Canadian registry meet the cost of treatment of their crews? If not, what is the deficit?

3. Do sick mariners' dues paid by foreign-going vessels meet the cost of treatment of their crews?

[Mr. Cruickshank.]

Mr. MARTIN:

1. Canadian seamen and fishermen who are members of the crews of vessels of Canadian registry that pay sick mariners' dues under part V of the Canada Shipping Act.

2. Sick mariners' dues paid by coasting, government and fishing vessels of Canadian registry have never met the cost of treatment of their crews. The deficits for each of the past five years are as follows:

1942	$41.056.07
1943	44,524.35
1944	50.036.07
1945	77,854.57
1946	63,588.69

3. Sick mariners' dues paid by foreign-going vessels more than met the cost of treatment of their crews until 1941. From 1942 on, there has been a yearly deficit as follows:

1942	$32,199.06
1943	33,538.65
1944	67,740.27
1945	2,802.44
1946	87,959.08

FILM BOARD—EMPLOYEES PAID IN U.S. FUNDS

Mr. FRASER:

1. How many employees of the national film board were paid in United States funds during the year 1947?

2. How many employees were paid in United States funds during January, 1948?

3. How many of these employees are Canadian citizens?

4. Are any of these employees paid in United States funds, stationed in Canada?

Mr. WINTERS:

1. 11.

2. 6.

3. 1947, 3; 1948, nil.

4. No.

CANADIAN ARTHRITIS AND RHEUMATISM SOCIETY

Mr. BENTLEY:

1. Is the government making a grant of money to the newly formed Canadian arthritis and rheumatism society?

2. If so, how much?

Mr. MARTIN:

1. No.

The Minister of National Health and Welfare has promised whole-hearted support and co-operation to this society when, in the future, it has demonstrated its ability to act as the national co-ordinating agency, for which purpose it was set up.

Since the society is still in the early organizational stage it can readily be appreciated

that budgetary and other financial plans are still to be formulated and put forward by the society.

2. See answer to No. 1 above.

EMPLOYMENT OF DR. NOBLE

Mr. BENTLEY:

1. Is Dr. Noble, a veterinary surgeon, employed by the dominion government in the province of Saskatchewan?

2. If so, since when; at what salary, and at what allowance for expenses?

Mr. McCUBBIN:

1. Yes.

2. March 17, 1941.

Dr. Noble is employed by the Department of Agriculture in a dual capacity on a part time basis as required. When employed as a stallion inspector he is paid $10 per day, plus living and travelling expenses. When engaged as a veterinary inspector he is paid $15 per day, paying his own living and travelling expenses.

EXPORTS AND IMPORTS—VARIOUS COUNTRIES

Mr. TIMMINS:

What value of commodities did Canada export to and import from each of the following countries in the respective years 1946 and 1947: Argentina, Australia, Belgium, Brazil, Burma, Ceylon, Chile, China, Colombia, Cuba, Czechoslovakia, French Union, Great Britain and Ireland, India, Luxembourg, Netherlands, New Zealand, Norway, Pakistan, South Africa, Southern Rhodesia, Sweden, Syro-Lebanese customs union?

Mr. McILRAITH:

Country	Exports		Imports	
	1946	1947	1946	1947
	$	$	$	$
Argentina	14,038,528	31,697,126	14,372,213	17,961,099
Australia	38,193,663	60,294,201	19,753,939	14,222,472
Belgium	63,626,096	52,748,555	4,428,864	10,120,449
Brazil	24,601,962	31,659,949	14,018,295	13,887,719
Burma	442,440	822,518	1,000	2,857
Ceylon	2,139,770	4,078,598	3,745,337	11,652,580
Chile	3,564,804	4,391,797	424,265	338,791
China	42,915,143	34,984,364	2,321,239	2,303,781
Colombia	8,930,005	9,950,044	9,708,416	9,196,741
Cuba	5,269,891	7,501,550	13,227,720	23,751,450
Czechoslovakia	9,870,930	13,779,027	964,115	3,644,843
France	74,380,394	81,058,035	4,609,849	8,755,394
French Possessions	11,841,713	9,026,030	509,496	324,049
Great Britain and Ireland	597,506,175	751,198,395	201,433,220	189,369,855
India	49,045,795	42,946,957	27,877,376	42,249,805
Luxembourg	Included in Belgium.			
Netherlands	33,883,373	55,939,827	2,496,988	3,529,508
New Zealand	16,110,123	37,385,675	11,955,536	10,831,369
Norway	19,266,569	20,319,773	835,595	4,998,641
Pakistan	Included in India.			
South Africa	68,632,865	67,138,413	7,891,625	4,256,346
Southern Rhodesia	3,284,237	7,369,278	93,044	180,987
Sweden	9,132,653	17,461,181	3,681,277	3,184,486
Syria	227,507	2,546,225	70,566	29,750

Note: Imports from Great Britain and Ireland include Canadian goods returned, mainly military equipment, valued at $60,092,099 in 1946 and $839,000 in 1947.

SALE OF GOLD ON FREE MARKET

Mr. CAOUETTE:

What steps, if any, have been taken by the government to allow the gold mining companies of Canada to sell their gold on the free markets?

Mr. ABBOTT: None. The government's policy in this connection was stated in the House of Commons on July 17, 1947.

VAL D'OR, QUE., POST OFFICE BUILDING

Mr. CAOUETTE:

1. Have any steps been taken for the construction of a post office building in Val d'Or?

2. If so, when will the work start?

Mr. FOURNIER (Hull): 1 and 2. Steps are being taken towards the acquisition of a site for proposed public building at Val d'Or, for

which an item is included in the main estimates of this department 1948-49. When funds are provided for the construction of a building, immediate steps will be taken towards the preparation of plans and specifications.

BANK OF CANADA—L. RASMINSKY

Mr. CAOUETTE:

1. Is Mr. L. Rasminsky, executive assistant to the Governor of the Bank of Canada, a Canadian by birth?

2. If not, what is the country of his origin?

Mr. ABBOTT:

1. Yes.

2. Answered by No. 1.

OLD AGE PENSIONS

Mr. REID:

What amounts are at present being paid old age pensioners in each province (a) total amount paid each recipient; (b) amount contributed by the dominion government; (c) additional amount or amounts paid by each provincial government?

Mr. MARTIN:

(a) The maximum amount which an old age pensioner or a blind pensioner may receive per month from pension and provincial supplemental allowance in each province is as follows:

Prince Edward Island	$30	
Nova Scotia ...	35	
New Brunswick.	30	
Quebec	30	
Ontario	40	
Manitoba	30	
Saskatchewan .	30	($35 from Apr. 1, 1948)
Alberta	35	($37 from Apr. 1, 1948)
British Columbia	40	

(b) The maximum contribution by the dominion to the amount paid a pensioner in any province is $22.50 (75 per cent of $30) per month.

(c) Supplemental monthly allowances paid by the provinces are as follows.

Nova Scotia—up to $5.
Ontario—up to $10.
Saskatchewan—from Apr. 1, 1948—up to $5.
Alberta—$5 (from Apr. 1, 1948—$7).
British Columbia—$10.

FILM BOARD—EMPLOYEES NOT CANADIAN CITIZENS

Mr. FRASER:

1. Are all employees of the national film board Canadian citizens?

2. If not, how many are (a) citizens of Canada; (b) not citizens of Canada?

3. What are the names of all employees of the national film board who are not citizens of Canada, and where are these people employed?

[Mr. Fournier (Hull).]

Mr. WINTERS:

1. No.

2. (a) 567; (b) 26.

3.

Name	Location
Apuzzo, A. (U.S. citizen),	U.S.
Bobet; J. (French citizen),	Canada.
Carter, M. (U.S. citizen),	U.S.
Cunliffe, B. (British subject),	Canada.
Donohue, V. (British subject),	Australia.
Dowling, M. (British subject),	Australia.
Gilg, T. (Swiss subject),	Canada.
Glunz, R. (U.S. citizen),	Canada.
Golightly, J. (British subject),	England.
Hacche, A. (British subject),	Canada.
Hager, M. (U.S. citizen),	U.S.
Jenner, H. (British subject),	England.
Leigh, M. (British subject),	England.
Murray, R. (U.S. citizen),	U.S.
Randall, H. (U.S. citizen),	Canada.
Rose, R. (U.S. citizen),	Canada.
Schachtel, M. (British subject),	Canada.
Schmidt, A. (U.S. citizen),	U.S.
Slater, C. (British subject),	England.
Swift, M. (British subject),	England.
Troke, H. (British subject),	Canada.
Waite, A. (British subject),	Canada.
Webster, P. (British subject),	Canada.
Wilson, A. (British subject),	Canada.
Mitchell, P. (British subject),	U.S.
Nieto, J. (Mexican subject),	Mexico.

CANADIAN ARMY OFFICERS OF RANK OF MAJOR-GENERAL AND ABOVE

Mr. FULTON:

1. How many officers of the rank of major-general and above are presently serving in the Canadian army (Active)?

2. What was the maximum number of officers of the rank of major-general and above serving at any one time with the Canadian Active Service Force during the war 1939-1945?

3. During the period when this maximum number of officers of the rank of major-general and above was serving, what was the largest number of troops (all ranks) on active service?

Mr. LAPOINTE:

1. Nine.

2. Forty-one.

3. 489,683.

FARM IMPROVEMENT LOANS—BOOKLET "CANADIAN NEWSPAPER REPORTS"

Mr. FRASER:

1. What was the total cost to the government for the printing of the booklet "Canadian Newspaper Reports" dated February 25, 1948?

2. How many of these booklets were printed for administrator of the Farm Improvement Loans Act?

Mr. ABBOTT:

1. $409.

2. 5,000.

NAVAL SERVICE OFFICERS OF RANK OF REAR ADMIRAL AND ABOVE

Mr. FULTON:

1. How many officers of the rank of rear admiral and above are presently serving in the Royal Canadian Navy (Active)?
2. What was the maximum number of officers of the rank of rear admiral and above serving at any one time with the Royal Canadian Navy during the war 1939-1945?
3. During the period when this maximum number of officers of the rank of rear admiral and above was serving, what was the largest number of naval personnel (all ranks) on active service?

Mr. LAPOINTE:

1. Four.
2. Six.
3. 92,880.

AIR FORCE OFFICERS OF RANK OF AIR VICE-MARSHAL AND ABOVE

Mr. FULTON:

1. How many officers of the rank of air vice-marshal and above are presently serving in the Royal Canadian Air Force (Active)?
2. What was the maximum number of officers of the rank of air vice-marshal and above serving at any one time with the Royal Canadian Air Force during the war 1939-45?
3. During the period when this maximum number of officers of the rank of air vice-marshal and above was serving, what was the largest number of personnel (all ranks) on active service?

Mr. LAPOINTE:

1. Nine.
2. Twenty-five.
3. 212,378.

FEDERAL GRANTS TO MUNICIPALITIES FOR MUNICIPAL SERVICES

Mr. CHURCH:

1. What action is the government taking towards granting some form of aid to municipalities (besides Ottawa) for similar municipal services rendered free to federal authority by Canada's municipalities?
2. What action has been taken since the debate last session on this matter, if any?

Mr. ABBOTT: 1 and 2. This matter is receiving the active consideration of the government and an announcement will be made in due course.

UNEMPLOYMENT INSURANCE—ROUYN, QUE., OFFICE

Mr. CAOUETTE:

1. Who is in charge of the unemployment insurance office in Rouyn, Quebec?
2. What salary does he receive yearly?

Mr. COTE (Verdun):

1. Mr. G. J. Primeau.
2. $3,000.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE—APPOINTMENTS BY EXAMINATION

Mr. HARKNESS:

1. How many (a) permanent; (b) temporary appointments to the civil service have been made for the calendar years 1945, 1946, 1947?
2. How many of these were based on the results of a competitive civil service examination?
3. In how many of the above cases was the examination (a) written; (b) oral; (c) written and oral?
4. In the case of the appointments without civil service examinations, what is the basis and method by which they were made?
5. How many of the persons appointed as in (a) possess the veterans' preference?
6. In the case of the appointments without civil service commission examination, how many of the appointees possess the veterans' preference?

Mr. GIBSON (Hamilton West): Return tabled.

IMPORTS OF ARGENTINE CORNED BEEF

Mr. HARKNESS:

1. How much Argentine corned beef was imported into Canada in the years 1946 and 1947: (a) in 14-oz. tins; (b) in total?
2. Was this Argentine meat paid for in American dollars? If not, how was it paid?
3. What was the price per 14-oz. tin paid for this beef by the importer?
4. What is the retail price at which the 14-oz. tins are being sold in Calgary and Edmonton?

SELECTIVE SERVICE AND EMPLOYMENT OFFICE—HEADQUARTERS IN LONDON, ONT.

Mr. MANROSS:

1. What rent did the national selective service and national employment office pay for their headquarters in London in 1944, 1945, 1946 and 1947?
2. How many employees did they have in 1944, 1945, 1946 and 1947?
3. What was their total payroll in 1944, 1945, 1946 and 1947?
4. What does their total staff number now?

Mr. GIBSON (Hamilton West): Return tabled.

WARTIME PRICES AND TRADE BOARD—LONDON, ONT.

Mr. MANROSS:

1. When did wartime prices and trade board move into dominion public building at London, Ontario?
2. What rents have been paid annually since?
3. What was total number of employees in each year, 1944, 1945, 1946 and 1947?
4. What was total payroll in each year, 1944, 1945, 1946 and 1947?
5. What is total number of employees now?

Mr. GIBSON (Hamilton West): Return tabled.

NATIONAL REVENUE—INCOME TAX DIVISION, LONDON, ONT.

Mr. MANROSS:

1. When did the income tax division move into the Victory building in London, Ontario?

2. What rents have been paid annually since?

3. What was the total number of employees in London in 1944, 1945, 1946 and 1947?

4. What was total payroll in 1944, 1945, 1946 and 1947?

5. What is total number of employees now?

Mr. GIBSON (Hamilton West): Return tabled.

VETERANS AFFAIRS—GARVEY BUILDING, LONDON, ONT.

Mr. MANROSS:

1. What did the government pay for the Garvey building, King street, London, now occupied by Department of Veterans Affairs?

2. What was (a) the date of purchase; (b) total cost of alterations; (c) cost of office and other equipment?

3. How many employees were in this building in 1944, 1945, 1946 and 1947?

4. What was their total payroll in 1944, 1945, 1946 and 1947?

5. What is total number of employees now?

VETERANS AFFAIRS—ROBINSON LITTLE BUILDING, LONDON, ONT.

Mr. MANROSS:

1. What rent did the Department of Veterans Affairs pay for the Robinson Little building on Richmond street, London, in 1944, 1945, 1946 and 1947?

2. How many employees did they have in 1944, 1945, 1946 and 1947?

3. What was their total payroll in 1944, 1945, 1946 and 1947?

4. What were their other expenses in 1944, 1945, 1946 and 1947?

5. What does their total staff number now?

Mr. GIBSON (Hamilton West): Return tabled.

OLD CUSTOMS HOUSE BUILDING, LONDON, ONT.

Mr. MANROSS:

1. What government department is now using the old customs house in London, at the corner of Queens avenue and Richmond street?

2. What annual rent do they pay for it?

3. How many employees were there in the building in each year, 1942, 1943, 1944, 1945, 1946 and 1947?

4. What was the total payroll in each of these years?

5. How many employees are there now?

6. When does the government expect to be through with this building?

7. Is it for sale?

[Mr. Gibson (Hamilton West).]

FEDERAL EXPENDITURES FOR EDUCATIONAL PURPOSES

Mr. PROBE:

Since the appointment of royal commission on industrial training and technical education, 1910, what yearly expenditures have been made from federal money, by provinces, for (1) agricultural education; (2) industrial education; (3) academic education (elementary or secondary school); (4) university grants or scholarships; (5) veteran education; (6) training of unemployed or civilian handicapped; (7) national research council; (8) foreign scholarships to Canadian students; (9) vocational school and/or university equipment or buildings; (10) visual education; (11) libraries; (12) physical education; (13) any other educational purposes (specify)?

QUAKER ROAD HOUSING ENTERPRISE, WELLAND COUNTY

Mr. LOCKHART:

1. In connection with the houses made available to veterans in what is known as the Quaker Road enterprise, in Welland county, Ontario, what water supply is available to the veterans?

2. What was the total cost of the present water system installed?

3. Is the supply considered sufficient for the future?

4. What water rates are paid by the veterans occupying these houses?

PAYMENTS FOR LEGAL SERVICES

Mr. CAOUETTE:

1. What amounts, if any, were received from the different departments or offices of the federal government by the following lawyers since January, 1940, to date: Right Hon. Louis S. St. Laurent, Quebec, Quebec; Henri Drouin, Amos, Abitibi, Quebec; Jean Louis Baillargeon, Val d'Or, Quebec; Lucien Cliche, Val d'Or, Quebec; Paul Cuddihy, Rouyn, Quebec; Leo Bureau, Rouyn, Quebec; Léopold Larouche, Rouyn, Quebec; Camille Beaubien, Rouyn, Quebec; Arthur Lefebvre, Rouyn, Quebec; Gérard Cournoyer, Sorel, Quebec?

2. For what services were they paid?

IMMIGRATION AGREEMENTS—EMPLOYMENT IN MINES

Mr. CAOUETTE:

1. Is the government a party to an agreement with immigrants now entering Canada for employment in this country?

2. If so, what are the terms of such agreement?

3. For what period are they guaranteed work by the government?

4. Does the government reimburse mining companies for a part of the salaries or wages paid to immigrants employed in the mines of northwestern Quebec? If so, what amount or in what proportion?

5. Do the immigrants employed in the mines of northwestern Quebec pay the same rate of income tax as the Canadian miners? If not, for what reason?

6. For what period are mining companies bound to keep immigrants in their employ?

7. Are mining companies obliged to employ the said immigrants?

DOMINION CROWN CORPORATIONS

Mr. CAMPBELL:

1. What are the names of all dominion crown corporations, including those set up during the war?

2. What was the amount of capital expenditure advanced by the dominion government to each of the crown corporations?

3. Do these same crown corporations pay or have they paid interest and depreciation to the dominion government?

4. Do the crown companies have a board of directors, or if not, to whom are they responsible?

CIVIL SERVICE—EMPLOYEES IN SASKATCHEWAN

Mr. McKAY:

1. How many federal civil service employees are there in the province of Saskatchewan?

2. How many federal civil servants in the province of Saskatchewan are receiving salaries (a) less than $1,000; (b) $1,000-$1,200; (c) $1,200-$1,400; (d) $1,400-$1,600; (e) $1,600-$1,800; (f) $1,800-$2,000; (g) over $2,000?

MOTION FOR PAPERS

ARROWHEAD, B.C., WHARF

Mr. FULTON:

For a copy of any report or recommendation made by the chief engineer to the Minister of Public Works concerning the repair, alteration or moving of the wharf at Arrowhead, B.C.

TAXATION

FEDERAL GOVERNMENT TO VACATE AMUSEMENT AND PARI-MUTUEL TAX FIELDS

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to direct a question to the Minister of Finance. In view of the introduction yesterday in the Ontario legislature of a measure imposing a provincial amusement tax for hospital purposes, to become effective upon the implementation of this government's commitment to vacate the amusement tax field, will the minister indicate when that will be done?

Hon. DOUGLAS ABBOTT (Minister of Finance): I can add nothing to what I said in a letter to the Premier of Nova Scotia, I think in April of 1947, when I stated that in view of the special interest which the provinces have in amusement and pari-mutuel tax fields, among other fields, the dominion government would vacate these fields as soon as circumstances will permit.

Mr. GRAYDON: Would the minister indicate when he expects it will be possible to do so?

Mr. ABBOTT: Obviously not. That would be indicating what might be in the budget.

Mr. GRAYDON: It is going to be in the budget?

LABOUR CONDITIONS

DEEPSEA SHIPOWNERS AND DECK, ENGINEER AND WIRELESS OPERATORS—UNION PROPOSALS FOR ARBITRATION

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): I should like to ask the Minister of Labour if he has anything to add to the statement he made in the house on March 15 in regard to the seamen's strike. Can the minister say what is the attitude of the shipowners to the union's proposals made to him for arbitration?

Hon. HUMPHREY MITCHELL (Minister of Labour): In reply to the hon. member for Vancouver East, and also in reply to an inquiry from the senior member for Halifax (Mr. Isnor), I might say that this dispute is a long standing one. I have had a commissioner, Mr. Justice McNiven of Regina, on this matter for three months. He was able to make arrangements for an agreement between the shipowners and the Canadian seamen's union, but it was not possible to come to an agreement with the executive officers, engineers and wireless operators. The result was that a strike ensued of the executive officers, engineers and wireless operators. Yesterday my deputy received from the men's organization the following telegram, copy of which had been sent to the shipping federation of Canada and the shipowners' association (deepsea) of British Columbia:

Following telegram addressed to Mr. MacNamara by board of management Canadian merchant guild Vancouver dated March 23 is submitted herewith for your consideration: "Foreign-going deck officers of the Canadian merchant service guild agreeable to signing articles and immediate sailing of ships on basis of immediate implementation of full McNiven report on the understanding that the points at difference between both the owners and the guild namely, hourly overtime and pro rata leave be settled through a three-man arbitration board whose decision shall be final and binding. Further, that no person or articles shall be penalized under the provisions of the Canada Ship-

ping Act nor shall any member of the guild be discriminated against by the shipowners. Please advise if this proposal acceptable to shipowners."

The immediate situation is that I am awaiting a reply to that questionnaire. Last week I met a group of shipowners from Montreal but no conclusive arrangements were made to terminate the dispute. I can go no further than that at the moment.

UNITED NATIONS

TRUSTEESHIP PROPOSAL IN PALESTINE PROBLEM

On the orders of the day:

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I desire to direct a question to the minister of external affairs, of which perhaps the Prime Minister or the parliamentary assistant might take note with a view to giving an answer before we adjourn today.

I refer to dispatches from New York indicating that the United States delegation to the united nations is asking for a special session of the assembly to consider a trusteeship proposal for settlement of the Palestine problem. My question has two parts. First, will Canada's representative on the security council support the request for such a special session of the general assembly? Second, is General McNaughton's reported statement today to be interpreted to mean that Canada does not favour the trusteeship proposal as an alternative to partition?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, perhaps I might answer that question. I do not think the house should be given the information the hon. member has asked for, in advance of receipt officially by the government of statements that may be made at New York by our representatives. I do not think we should undertake to say what our representatives will say there.

HOUSING

INQUIRY WITH RESPECT TO CURRIE BARRACKS

On the orders of the day:

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I desire to ask a question. I do not know whether it should be addressed to the Minister of National Defence, the Minister of Veterans Affairs or the Minister of Reconstruction and Supply. I received this telegram only a moment ago. It is marked 2.20 p.m. It is short; perhaps I might read it:

> Newspaper reports indicate that 135 houses at Currie barracks for Department of National Defence have been let to Bird Construction without calling for bids. We strongly protest this on the grounds that our own contractors and subcontractors should have a chance to figure on this job.

Would the minister state what the situation is so that I may be in a position to reply to the telegram?

FLOOD CONDITIONS

QUESTION AS TO FEDERAL RESPONSIBILITY

On the orders of the day:

Hon. ALPHONSE FOURNIER (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Ottawa East (Mr. Richard) put the following question:

> In view of the fact that the government now owns the riverfront from Rideau falls to Hog's Back will the minister state (1) what assistance has been offered in the past to the adjoining municipalities to prevent floods;—

The answer to that is none, in cases where the federal government has no control, jurisdiction nor responsibility. His second question was:

> (2) whether his officers have studied the responsibilities of the dominion government to assist in the prevention of floods on the Rideau river, and its liabilities therein, especially in the case of an emergency?

The answer is that the Rideau river channel from Rideau falls to Hog's Back is not navigable and is therefore under the control of the province and not the dominion. It is not considered that the dominion has any responsibility or liability, as the problem in its two phases, that is, in emergency or in final solution, is one of municipal control. It is one for the province and municipality to attend to.

Mr. RICHARD (Ottawa East): If I may ask a supplementary question, is the minister taking into consideration the fact that the government not only owns the riverfront but thousands of dollars worth of valuable residential property which it might protect if the provincial government does not act?

Mr. FOURNIER (Hull): I consulted my officials on that problem and I was told that if the properties all belong to the federal government and the damages were suffered by the federal government and not by private owners, we should attend to the properties belonging to the federal government.

Mr. SMITH (Calgary West): If the minister will permit a supplementary question, when he says this river is not navigable does he mean that you cannot get a boat up the river, or is he using the word in its legal sense? Practically all streams are navigable. Does the minister mean that legally this river is not navigable?

Mr. FOURNIER (Hull): I understand there are rapids on the river and that it is not navigable. I do not want to go into the legal question of whether it is a navigable stream. Judgments in the past have established quite definitely the meaning of navigable rivers.

WHEAT

INQUIRY AS TO PARTICIPATION PAYMENTS

On the orders of the day:

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. As this is probably the last day before the Easter recess, would he state the amount of the wheat participation payments and when the payments will be made?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The leader of my hon. friend's party mentioned an amendment to the wheat board act in another place. I said that I would make a statement after the wheat board bill had passed. I am afraid I cannot do so at this time.

EXCISE TAX ACT AMENDMENT

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 172, to amend the Excise Tax Act.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I know there are some people in this house who believe that this bill has been quite adequately discussed in committee, and I do not propose to take very much time. I had that opinion when I came into the chamber; and since the threat of the Prime Minister, though delivered as the Minister of Labour would say "in a kindly way," I feel still more strongly that I should be brief, and I shall be brief. Nevertheless I feel that it is desirable on the second reading of this bill to state why we in this party regard it as a bill which we should oppose, as we have opposed it, to the end.

We regard it as ill-conceived, arbitrary, illegal and destructive.

In one respect, Mr. Speaker, I think this bill might be described as almost unique. Often on previous occasions when we have opposed government bills I have felt that I was able, in some measure at any rate, to understand the reasons which moved the government to the passing of the bill, but I confess that here I am in a complete fog. I cannot understand what moves the government to pass this bill. There is an old saying that the heart has its reasons which reason cannot tell, and I can only assume that the government also have reasons which reason cannot tell, and I propose to leave it at that; but I should like to ask the house to recall very briefly the background which has led us into what seems to me to be a sea of troubles.

The house will remember that this bill is designed to assist in meeting—very inadequately, I think—certain troubles which arose from a most unwise decision of the government in July, 1946, a decision to which they have adhered with what I suggest is unhappy obstinacy. The result of that, as you will recall, Mr. Speaker, was that in a year over a billion dollars of our gold and United States exchange cataracted away. Were there no warnings given the government? Yes, there were warnings given constantly during the session of 1947 and again during the summer after the session had ended. But unfortunately inaction was persisted in constantly until in the middle of November an announcement was made over the air by the Minister of Finance (Mr. Abbott) imposing this tax. This imposition was illegal. In order to try to escape the illegality the minister has had to resort to hair-splitting which, I am sure, was very disagreeable to him. He has had to say that there was no tax, and there was only an indication that parliament would be asked to pass a tax, and that the people need not pay the tax. I am not going to labour the point, Mr. Speaker; I am just going to say it is playing with words—playing with words to say there was no tax when every customs official had been told to act under the notice which had been given; it is playing with words to say there is no tax when people had goods coming from the United States in customs warehouses and could not get them until they paid the tax. As a matter of fact the truth is that it was announced as a tax, intended as a tax, collected from the Canadian people as a tax, and if it was not a tax all I can say is that a great fraud was practised on the Canadian people.

I have just one other remark to make on this question of the lawlessness of this tax, and that is to recall to the memories of hon. gentlemen the fact that when the hon. member for Vancouver-Burrard (Mr. Merritt) asked the Secretary of State for External Affairs (Mr. St. Laurent), an eminent lawyer, whether he considered the tax legal, the hon. member remained glued to his chair.

I have said that the tax, in spite of all the months of delay, was, so far as we could see, passed in a hasty and ill-considered manner. The reason I say that is that it was no sooner passed than it was found necessary to begin to make changes in it. The minister frankly told us the changes were made because they found

cases of distress. Well, Mr. Speaker, what I want to say to you is that they are going to find more cases of distress and they are going to have to make more changes. Incidentally I understand that in the bill the right is reserved to make still further changes; and while I am on this point I would make the suggestion that this measure will in the end prove to be a ridiculous measure because it will fail in what is intended and I believe the government will be under pressure to make more and more changes.

But I want to make a further point. Notwithstanding the fact that changes have been made to lessen distress—and I am not going into details—there is plenty of distress now. There is plenty of anger and disappointment. There are people whose businesses are being ruined, and they will very properly ask why it is that they were victimized in this way.

If I have given anything approximately fair as a description of the situation which we have at the present time—let me interject here to say what has already been said, that in Bill 3, however much one may object to certain features of it, there were effective powers retained; but in this bill I believe the whole thing is ill-conceived and will not be effective. I now come back to what I was about to say. If I have given anything approximately fair as a description of the confusion, the distress and the difficulty which are being caused by this bill, you will agree with me, Mr. Speaker, and the house will agree, that valid reasons are necessary, strong and overwhelming reasons that the bill is necessary; and I shall look now for a moment at the reasons.

The first reason given, the reason which I think we all thought was the overwhelming one when we got into the debate, was the saving of United States exchange. As to that I wish to make two observations. It is clear that not only was no figure in the minds of the administration when this tax was announced as to what might be saved in that way—there was an estimate with regard to Bill 3, but apparently no estimate here at all, according to the Minister of Finance. Second, though this bill has now been in effect for four months there are still no figures of the slightest value. In answer to the hon. member for Calgary West (Mr. Smith) the minister said the other night—I paraphrase his words—that he had no figures now and doubted if he ever would have any figures which would show him exactly the effect of this bill. At my request he did produce certain figures which he was good enough to give us yesterday, but after examining these my feeling is that the savings effected are trivial, and it will take a lifetime of the trickle savings of United States exchange which we would make in that way to begin to recover the billion dollars which cataracted away in the early months of 1947.

It is not surprising that a measure of this kind, conceived in iniquity, should have a very dishonourable life—and it certainly has had a dishonourable life so far. It was defeated in committee—

An hon. MEMBER: Has it any parents?

Mr. MACDONNELL (Muskoka-Ontario): And what happened? We then saw really a very shabby spectacle. It was defeated in committee, and I assumed that with the power of its brute majority the government could have found a way within the rules, when it came back to the house, to summon up its—

Mr. SPEAKER: Order. Under the rules the hon. member has no right to refer to what has been settled by a vote of the house.

Mr. KNOWLES: The Prime Minister did it.

Mr. MACDONNELL (Muskoka-Ontario): I thought in doing that, Mr. Speaker, I was following a distinguished precedent, but I bow to your ruling. I shall just say this—

Mr. KNOWLES: The Prime Minister did it on February 10.

Mr. MACDONNELL (Muskoka-Ontario): I shall just say that I regretted, as I think everyone in the house did, that that ruling which we had all heard and which had been made, I venture to say, with the approval of the government, was then overturned by the vote of the government.

I said, Mr. Speaker, that I would be brief, and I have finished. I just want to say that for these reasons and for other reasons which have been given in this house, we believe not only that this bill is a bad bill but that it does not make sense. I am not going to refer to the other reasons. The United States exchange reason was supposed to be the great one. I submit that it is trivial; that there is no evidence that it will have the slightest effect. All the evidence we have is that its effect will be trivial. The other reasons I shall not pause to enumerate, except to say that I think each of them was weaker than the last. They were obviously conjured up in order to support the weakness of the first one. I did not envy the Minister of Finance his task, but it seemed to me as soon as we tried to pin him down to one reason he flitted off to another. I think that was the only thing he could do because each was so weak that he tried to get strength

from the others, but I think this strength was a very unhappy evidence of weakness and no strength at all.

I now wish to move in amendment, seconded by the hon. member for Calgary West:

That the word "now" be omitted and the words "this day six months" added at the end of the question.

Mr. F. E. JAENICKE (Kindersley): Mr. Speaker, we in this group have carefully considered the provisions of this bill and its general effect, and after due consideration and deliberation we have come to the conclusion that we must oppose the second reading of the measure.

There are several reasons why we feel that this bill is not in the interests of the Canadian people, and these reasons may be summarized as follows:

First, the tax is not necessary for revenue purposes, and it is inflationary.

Second, the tax is an unnecessary burden on the vast majority of the Canadian people.

Third, there is so far no evidence that the tax will have the expected result of conserving United States currency by reducing the consumption of United States goods or of domestic goods with United States content, or by creating an over-all current account surplus.

And lastly, in voting for this bill we would condone a serious breach by the government of our constitution.

With respect to the first objection I have mentioned, namely, that the tax is not necessary for revenue purposes, I do not think that it needs further argument, since the minister himself has admitted as much. It has not been introduced for that purpose, and especially is it not required for that purpose because of the rumoured budget surplus which is said to be something around $700 million.

The second reason for opposing the bill is that it places an additional unnecessary burden upon the people, and I think that is particularly true of the young people who are just starting out in life. And when we talk about young people, we necessarily have in our minds our veterans who have come back to us and who wish to establish their homes and take their places in this great Canadian family of ours. Their re-establishment is hard enough as it is, with their rent so high, the cost of building materials and other necessities being what it is, and this only makes it harder for them by putting an additional burden upon their shoulders, a burden which I consider absolutely unnecessary.

In view of the representations we have heard from different members from all sides, even the government side, and the evidence to which we listened while the bill was in resolution stage in committee, very few articles subject to the tax or duty can be considered luxuries. Most of them are necessities, and I think it is altogether wrong to levy an indirect tax upon such articles. It seems to me it is always the common man, the little man with little means, who bears the heavy burden of indirect taxation, and on general principles we in this group are against any increase in indirect taxation.

We must of course consider, and we in this group have considered that there are sections in the bill referring to the repeal of other taxes. We have fully considered this and have come to the conclusion that the new taxes to be imposed are much greater than the relief which will be afforded by the repeal of these taxes as provided in the last few sections of the bill.

On page 2131 of *Hansard* the minister gives figures and indicates that there has been collected close to $6,000,000 in the last three and a half months since the taxes have been imposed. On these figures we must expect that the new tax is imposed by the measure will be considerably greater than the relief which is afforded by the repeal of the tax on sugar and electric current, et cetera.

Our third reason for opposing the bill is that there is no evidence that the measure will have the expected result of conserving United States dollars. The minister explained that there were two principal reasons for the measures: first, reducing the consumption of United States made goods or articles with high United States content, and second, the creating of an over-all current account surplus.

I do not think that the bill will accomplish that purpose, and there was evidence in the committee to that effect. I think I have listened diligently to all the discussion that took place in committee, and to say the least, any evidence that was produced was most unsatisfactory, contradictory and unconvincing.

Take the case of automobiles. The minister quoted figures yesterday that did not seem to me to give any evidence of success in reducing the consumption of United States made goods or goods with high United States content. On the contrary, I rather take the word of the hon. member for Comox-Alberni (Mr. Gibson), who spoke on Monday and who told us that he had been in Windsor and had talked to some manufacturers. He said at page 2483 of *Hansard:*

I was in Windsor the other day and they assured me that they had enough orders to keep them going for the next two years.

That was certainly evidence, coming from that side of the house, that it was not successful as far as automobiles are concerned.

Mr. ABBOTT: They might be export orders.

Mr. JAENICKE: That may be true, but even the figures the minister gave yesterday certainly showed that the reduction in the month of January or February was a very small reduction of a very few hundred thousand dollars as against seven or eight millions. On the other hand, the member for Parkdale (Mr. Timmins) quoted on Monday, at page 2491, from a memorandum of the radio manufacturers, showing a considerable drop, and the memorandum quoted ends with this paragraph:

> Final figures for February sales and production are not yet available, but indications are that still further drops have occurred, and already there have been drastic cut-backs in factory production and employment.

I emphasize the word "production". To that argument the minister said, and again I quote, from page 2491:

> I am delighted to hear that the tax is doing what it is intended to, but I do not believe that is possible.

I fail to see how the minister's delight is compatible with his idea of an over-all current account surplus.

On page 2131 of *Hansard*, on March 11, the minister said, in answer to a question I put to him:

> The secondary purpose, if I may so describe it, is to reduce the consumption of articles in this country which for the time being we can do without. I think I explained yesterday afternoon that if we are to continue to export to the war devastated countries of Europe, we must reduce consumption in this country, whether the things we consume are of United States content or not. In other words we must create what I refer to, and what the economists refer to, as an over-all current account surplus.

From that argument I understand the minister to say, and I think I am right, that we must reduce consumption but not that we must reduce production. As a matter of fact he was emphatic, at another time in the committee, that we must reduce consumption and also increase production. I suggest that the figures he quoted with respect to radio sales and the memorandum of the radio manufacturers from which I quoted a moment ago and which appears in yesterday's *Hansard*, indicate that not only consumption but also production is going down, which I thought the minister was trying to avoid because of his endeavour to create this over-all current account surplus. Taking a bird's-eye view of all we have heard in committee and in explanation of the necessity for this bill, I fail to see that the minister has established that this taxation measure will conserve American dollars.

Now I come to the fourth objection I quoted, that is the objection in connection with the legal and constitutional aspect. I had intended at the end of my speech to introduce an amendment but will have to refrain from doing so because of the amendment just introduced by the hon. member for Muskoka-Ontario (Mr. Macdonnell). We were going to propose this amendment:

> That in the opinion of the house the action of the government in arranging by ministerial announcement for the collection of taxes, of which parliament had not yet been advised and which parliament has not yet imposed, is contrary to established parliamentary practice and without constitutional authority.

As I say, I shall not be able to introduce that amendment now, but I should like to say just a few words as to the legal and constitutional aspect.

I spoke on this matter a few weeks ago and shall not repeat what I said then, but I must emphasize again that the action of the government in collecting this tax since last November is entirely illegal and unconstitutional. I will say that the prerogatives of parliament were crucified. I know, of course, that if parliament passes this bill the tax will be made retroactive to November 18 and the crucified body will be resurrected; but, Mr. Speaker, the ugly nail holes will still be there.

The case I quoted in committee a few weeks ago, Bowles *v.* the Bank of England, only concerned itself with an ordinary budget resolution introduced while the house was in session. This is something altogether different. The minister does not contend that his announcement was a budget resolution. It strikes me that new taxes, yes and even increases in taxes already in existence, are always imposed by way of the budget, at least in British parliaments; and I have been unable to find a case where a measure has been brought in to raise taxes apart from the budget. The budget represents the general financial program of the government for the year. We have always had budgets. They are a development in our constitutional practice. Reading the historic background of the development of the committee of supply and the committee of ways and means, I find that the function of the committee of ways and means is to find the revenue required for the expenditures voted by the committee of supply. In fact in the early period of constitutional government taxes which were to be imposed as recommended by the committee were always earmarked for certain expenditures. Then we had the gradual development of the general

budget and the elimination of the special appropriation; but the fundamental principle, the inherent principle is still present even in our modern budget, namely no taxation without need. In other words the people are not to be taxed unless the money is needed for some expenditure for their general benefit or the benefit of the state. This became clear to me on Monday in listening to the citation and quotation of the authorities on the points of order raised at that time, and after I had an opportunity of studying some of those authorities. Therefore I believe the situation which confronts us is unique. In addition to offending against the legal principle laid down in Bowles *v.* the Bank of England, the action of the government in collecting the tax since November has disregarded the principle that there should be no taxation unless there is need of it.

I would urgently plead with the government that these things should not happen again, and that at this session a bill should be introduced similar to the bill introduced in Great Britain in 1913 so they could act in case of emergency, and also to make budget resolutions legal whenever the budget is introduced. In these times of unrest and fear, Mr. Speaker, particularly fear that the concepts of a foreign ideology are making inroads upon our democratic institutions, we refuse to be parties to a measure which contains that apparent lighthearted and gross disregard of the prerogatives of parliament.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I assure the house that I realize many of us would like to be in places other than this, and therefore I shall not detain hon. members for more than a very few minutes. I have seconded this amendment, and I think I owe it to the house and to myself to tell you why I have done so. I want to compliment the hon. member for Kindersley (Mr. Jaenicke) on what in my judgment was his best effort since I have been in this House of Commons. Some of his others have been very good, but I believe this was his best. The natural eloquence which is his I always find very effective, but in listening to him, it did occur to me that he might have used another cross—that is, the cross of gold, upon which William Jennings Bryan refused to see the American people crucified.

All I intend to do today is recite chronologically, I hope, a few facts in connection with this whole matter, and then ask the members of this house if they can find it within their conscience to do what I am going to suggest the government is asking us to do here. We all know we have a dollar crisis. The fact that we knew it months before any action was taken is of no consequence now—I mean in the realities of the situation. The real facts are before us. We all knew there were two ways of dealing with it. One was by embargoes, by the rationing of the influx of goods, and so on. The other was by replacing those imports with things we might produce or process or make in this, our own country. But then we had an additional reason, which is this very excise tax with which we are dealing. I do not say the government is going out of its way to introduce bills in a new form, but this resolution contains four sections imposing taxation and two sections releasing the people from taxation. Accepting everything the hon. member for Kindersley says, that we have in fact no need of money from this peculiar tax, then obviously all of us would be in favour of the releases which are made in the bill. So we find ourselves in this position in this house, as we do so often. We have a bill brought forward containing some things we think are good, and also containing some things we think are bad. Hon. members must make up their minds—not definitely on one thing, but to balance one against the other. And so while I do not like that which is bad, yet I do not want to oppose that which is good. I am frank to admit that many times my mind has been a hodgepodge in endeavouring to decide, or to direct my own thoughts, as to which portion of a piece of legislation overbalanced the other portion.

It seems to me that something can be done in the house about that. This legislation is the kind I have described. Then what happens? Measures had to be taken—at least so the government thought—and had to be taken quickly. What was done by the advisers of the minister, about whom the hon. member for Temiscouata (Mr. Pouliot) becomes so eloquent almost weekly? In a state of fog they went into a grab-bag and came out with this excise tax in their hands. That is not said with any desire to be unduly harsh; I believe it is said truthfully, because no satisfactory reason has yet been given by the minister or by anyone associated with him for having taken this action.

May I say I admire the minister's astuteness, and that of his advisers, in looking for reasons. But this cold fact remains, that after four months of operation of this tax—and at the moment I am not concerned about the argument as to whether or not it is a tax—after four months of operation those respon-

sible for the measure are unable to tell us whether or not it has assisted us in seeking our objective. They state further, and state it frankly—and in passing may I commend the minister for his frankness—that they do not know that they ever will know—

Mr. ABBOTT: I am sure my hon. friend wishes to be fair. What I said was that it could not be measured in terms of dollars. One cannot tell how many goods would otherwise have been sold if we had not imposed the tax.

Mr. SMITH (Calgary West): I accept completely the statement made by the minister. But what he did say was that he never would know in terms of savings in United States dollars the extent to which this may have been an assistance. Is that more nearly accurate?

Mr. ABBOTT: I think so.

Mr. SMITH (Calgary West): That is what I intended to say. Now, what is our position? Here we are, members of this House of Commons, supposed at least to be intelligent. We are going to vote upon a measure which at its inception was unconstitutional, and which has been collecting taxes for four months completely without authority. Accepting the minister's last answer to me, our position is that we do not know whether or to what extent we may be helping our position.

Mr. ABBOTT: We know our dollar situation is improving, though.

Mr. SMITH (Calgary West): The minister says our situation is improving. Again he gets out his three-pronged fork; I hope he has something better on the other two prongs than he has on this one.

I repeat—and I want everyone to know what we are doing—that we are being asked to vote upon a measure which was unconstitutional in the beginning, to vote for the imposition of a tax over a period of four months, a tax which had no basis in law or regulation under law. We are asked to vote for a measure we do not know; nor is there any evidence to support the thought that it is helping us in our dollar position.

In other words, to use the language used by the minister in the beginning, we entered upon an experiment. That experiment has lasted four months. If we approve this measure it will last indefinitely. Yet it will continue to be nothing but an experiment. That is obvious from the answers the minister has given.

So here we sit—I was going to say 244 of us, but I might have been a little bit out in my calculation if I had said that, on this beautiful spring afternoon. In any event, here we sit, those of us who are in this House of Commons—and to do what? To vote for something born in a fog, something which lived in a test tube—

Mr. ABBOTT: The hon. member should have paused; they were ready for applause.

Mr. SMITH (Calgary West): —carried on as an experiment in a test tube. But the doctors, chemists and others now do not even know what they put into the test tube in the beginning. Yet we are asked to vote for legislation under those circumstances.

Mr. KNOWLES: And after it was defeated the other day.

Mr. SMITH (Calgary West): Yes, after it was defeated the other day, although if possible I wish to avoid anything which might be considered harsh. Why are we asked to vote on this measure? This is a tax which in the case of each of us bears heavily upon people we know and know well. Let any member look at his correspondence. Let us see what the people who are writing to us are saying. It is bearing very heavily upon them.

The luxury argument went out the window days ago. There is nothing to it, absolutely nothing left to that argument. But people who require necessities are paying 25 per cent more than they otherwise would.

Mr. ABBOTT: And paying less for sugar, too.

Mr. SMITH (Calgary West): I did not hear the minister's interjection.

Mr. GRAYDON: You put the sugar in to catch the flies.

Mr. SMITH (Calgary West): We pay a cent less for coffee; but the fact that occasionally the government gives a cent here and a cent there does not excuse them for socking the people 25 per cent on this particular job.

That is exactly the spot that we as members are in. There is no justification even in one's imagination—and, sir, one needs imagination if he votes for this measure—certainly no reasons have been advanced in its favour. Here we sit in this, the House of Commons of the Dominion of Canada, voting completely in the air, not knowing where we are going, except to say that we are voting for the continuation of an experiment which has almost died of old age. It is four months old now, but we are trying to revive it, bring it back to life and give it the use that it neither had nor deserved.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, I shall be a man of very few words. I do not like the tax. My constituents do not like the tax. The people throughout Canada do not like the tax, and they have not asked for it. Indeed a great majority of them have protested strongly against the imposition of it. Therefore I have no alternative but to voice the dissatisfaction of the Canadian people with whom I have to deal and whom I represent.

I agree with every single thing said on this side of the house today. Furthermore I say to the minister and the government that when I spoke a few days ago on this very same measure I contended that the government had not investigated the alternatives within their power which would bring up production. Once again I say that because of its failure to investigate what can be done by calling upon the people to increase production and to take care of the export trade which we need to balance our dollar position, I have no alternative but to oppose the measure.

During the war with nearly 2,000,000 people out of production we produced almost at the same level as our production today. Those 2,000,000 people are back in Canada and ready to go to work. You cannot tell me that that increased number of people could not bring up our production in desired lines away beyond what is being produced today if the government called seriously for that increased production. I charge that the government has gone ahead bullheadedly, determined to put this thing through for some unknown purpose and for some reason that they certainly have not divulged to us here. I must protest in the name of my people and I shall support the amendment.

The house divided on the amendment (Mr. Macdonnell, Muskoka-Ontario) which was negatived on the following division:

YEAS

Messrs:

Aylesworth
Barrett
Bentley
Blackmore
Blair
Boucher
Bracken
Bradshaw
Bryce
Burton
Cardiff
Case
Casselman
Castleden
Charlton
Cockeram
Coldwell
Coyle
Daniel
Fraser
Gillis
Graydon
Hatfield
Hlynka
Hodgson
Irvine
Jackman
Jaenicke
Knowles
Kuhl
Lennard
Lockhart
Low
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
MacInnis
McKay
McLure
McMaster
Manross
Merritt
Moore
Probe
Quelch
Skey
Smith (Calgary West)
Stephenson
Stokes
Strum, Mrs.
Timmins
Townley-Smith
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Zaplitny—57

NAYS

Messrs:

Arsenault
Beaudoin
Beaudry
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Brown
Chevrier
Claxton
Cloutier
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Eudes
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Healy
Howe
Jutras
King, Mackenzie
Lafontaine
Langlois
Lapointe
Little
McCann
McCubbin
Macdonald (Brantford City)
McIlraith
McIvor
Martin
Matthews (Brandon)
Michaud
Mitchell
Nixon
Parent
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
Ross (Hamilton East)
Sinnott
Smith (York North)
Tremblay
Tucker
Viau
Warren
Weir
Winkler—71

(Translation):

Mr. HEON: Mr. Speaker, I am paired for the whole session with the hon. member for Joliette-l'Assomption-Montcalm (Mr. Lapalme). Had I voted, I would have voted for the amendment.

(Text):

Mr. JEAN: I was paired with the hon. member for Waterloo South (Mr. Homuth). Had I voted, I would have voted against the amendment.

Mr. MacNICOL: I was paired with the Secretary of State for External Affairs (Mr. St. Laurent). Had I voted, I would have voted for the amendment.

Mr. HAZEN: I was paired with the hon. member for Shelburne-Yarmouth-Clare (Mr. Baker). Had I voted, I would have voted for the amendment.

Mr. ROSS (St. Paul's): I was paired with the hon. member for Nipissing (Mr. Gauthier). Had I voted, I would have voted for the amendment.

Mr. MENARY: I was paired with the hon. member for Cape Breton North-Victoria (Mr. MacLean). Had I voted, I would have voted for the amendment.

Mr. ABBOTT: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted against the amendment.

Mr. FERGUSON: I was paired with the senior member for Halifax (Mr. Isnor). Had I voted, I would have voted for the amendment.

Mr. DROPE: I was paired with the hon. **member for Northumberland, N.B. (Mr. Maloney). Had I voted, I would have voted for the amendment.**

Mr. CLEAVER: I was paired. Had I voted, I would have voted against the amendment.

Mr. GIBSON (Comox-Alberni): I was paired with the junior member for Halifax (Mr. Dickey). Had I voted, I would have voted for the amendment.

Main motion (Mr. Abbott) agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

Sections 1 to 4 inclusive carried on division.

Bill reported on division.

Mr. ABBOTT moved the third reading of the bill.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, the bill before us is a bill confirming the tax which was imposed by radio on November 17 last—imposed illegally, imposed unconstitutionally and imposed without precedent in any British parliamentary institution. The tax it imposes is unfair, unjust, inequitable and, as someone has said, not needed. The last mentioned point has been emphasized by the minister who introduced the bill. The bill taxes articles which are essential in our way of living; it is discriminatory and it hits unfairly the low-income groups of this country.

On the basis of the government's own arguments, they have not satisfied the house that this measure is an essential one or that it in any way accomplishes the purpose of the government in attempting to save United States dollars. Yet in the first section, this Bill No. 172 imposes an excise tax of 25 per cent on a long list of goods needed by the ordinary people of this country. In these circumstances I wish to move, seconded by the hon. member for Peel (Mr. Graydon):

That the said bill be not now read the third time but that the same be referred back to the committee of the whole for the purpose of reconsidering section one thereof.

Mr. GORDON GRAYDON (Peel): I desire to say just a word in connection with this amendment, namely what has been so well said by others in the house and what no doubt has been entertained in the thoughts of hon. gentlemen opposite as well but unexpressed. As the hon. member for Calgary West (Mr. Smith) said, this bill was conceived under strange circumstances and under circumstances that we in this house hope will never be the circumstances surrounding the conception of any legislation again in this house. We cannot ever afford to repeat what has been done with respect to this measure which is now up for third reading. Not only was it illegal in its conception—

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: That is all right. If the zoo will only keep quiet over there we shall go on with this measure.

Mr. SPEAKER: Order.

Mr. GRAYDON: Not only was it illegal in its conception, illegal in its pronouncement to the Canadian people but illegality has been piled upon illegality. The motion which has just been moved by the leader of the opposition asking for reconsideration by the committee of the whole of the particular section which he has mentioned gives this house an opportunity to reconsider the illegal and wholly unconstitutional infringement of the rights of the house, because this particular part of the bill was voted upon by the committee of the house and was defeated, and in that way the government forces were defeated. Mr. Speaker, you are going to suggest that I am reflecting upon the previous vote of this house; but I am going to say to you, sir, that there cannot be one rule for me and another rule for the Minister of Finance.

Mr. SPEAKER: Order.

Mr. GRAYDON: I want to say to you, sir—

Mr. SPEAKER: Order. The hon member must resume his seat. I must say to the hon member that the rules apply to everyone, and

even to himself. It is against the rules to refer to a matter which has already been settled by a vote.

Mr. GRAYDON: That being the case, Mr. Speaker, I am going to accept your ruling as I normally would. Since you have made that ruling, it only emphasizes the impossible position of the Minister of Finance in connection with the previous vote, because when he rose after that vote had been completed he reflected upon it, and when that irregularity was continued it only piled injustice upon injustice in this house and I resent it.

Mr. SPEAKER: Order.

Mr. GRAYDON: I resent it, and I am going to protest with all the vigour I have in my power.

Mr. SPEAKER: Order. I must call the attention of the hon. member, who has some experience, to the fact that he more than anybody else should be one of the first to abide by the rules of the house. It is a rule which is known by every hon. member that when the Speaker rises the hon. member who has the floor should resume his seat. I would ask the hon. member to abide by the rules and when the Speaker rises, to resume his seat and not to refer to a matter which has already been settled by a vote. Moreover, as he knows, the house is supposed to ignore what has happened in a committee of the house unless a report from the committee is before it.

Mr. GRAYDON: What you have said now is perhaps the most concise and clear spanking that the Minister of Finance has ever had from the Speaker, because what you have said is only too true. I was wishing to see whether or not I would be dealt with in connection with a reflection on this vote in the same way as the Minister of Finance was dealt with by this house in connection with the other one.

Mr. ABBOTT: You are putting on a good show.

Mr. SPEAKER: I would suggest to the hon. member who is an old parliamentarian that he knows the rules quite well and that the Speaker has no spanking to give to any member of the House of Commons. I want to repeat that if he wants to argue against the government, or against any party in the house, it is his privilege, but I will not stand for anybody bringing the Speaker into the debate.

Mr. GRAYDON: Mr. Speaker, I am not attempting to bring Your Honour into the debate. I am trying to ensure at this late hour that in this House of Commons we shall never have to suffer the injustice that in any event we think we suffered with respect to the Monday vote.

I want to conclude with these words. On many occasions people have said that governments and others have soaked the rich. Mr. Speaker, this is an example of where the government has departed from all these previous principles and under the third reading of this bill it seeks to soak the poor instead. I resent it and I protest; I am glad that we shall have an opportunity of voting on this measure going back to the committee for reconsideration because this particular part of the bill has already been rejected by the House of Commons, and I hope we reject it again.

Mr. M. J. COLDWELL (Rosetown-Biggar): I am going to say very few words. There are times when the House of Commons has to stand by fundamental principles. I believe that this is one of these times. As has been so well said by hon. members on this side of the house and particularly by my hon. friend and colleague, the member for Kindersley (Mr. Jaenicke), we regard the action of the government in attempting to impose these taxes as being illegal from every historical point of view. Right from the early days of the Stuarts when taxation without the consent of parliament was stubbornly resisted by our forebears it has been a fundamental principle that until the taxes have been approved by parliament they shall not be imposed. There has been a variation of that in recent years, so that when the budget comes down the taxes immediately go into effect; but, as the hon. member for Kindersley pointed out, even that was challenged in the mother of parliaments, and challenged successfully, with the result that the parliament at Westminster enacted a special measure to legalize budget impositions under these circumstances.

I agree with those who have said that this is unprecedented in Canadian history. I know of no precedent for the imposition of these taxes. The government does not require the money, with the large surplus it has; and, as my hon. friend who has taken his seat has said, this does impose an additional burden on the poor, on those least able to bear it in many instances. Of course it is not wholly on the poor, but it is to a large degree, and consequently I think the leader of the opposition is perfectly right in moving for the reference back of this particular clause, not because we believe it can be carried, but because I think parliament should make an

effective and dramatic protest against what has been done. For that reason we are supporting the reference back.

Mr. ABBOTT: I presume I close the debate, Mr. Speaker.

An hon. MEMBER: No; the leader of the opposition does.

Hon. DOUGLAS ABBOTT (Minister of Finance): I have only a word to say. I had hoped that it would not be necessary for me to participate at this stage, because, in my experience in the house, this debate has hit an all-time high for repetition of various points made. Every important point made has been repeated at least ten times, and in most cases by the same speakers.

I congratulate the hon. member for Muskoka-Ontario (Mr. Macdonnell) on his genius for repetition and his attempt to convince by repetition. I also congratulate him on his mastery of the art of argument by assertion.

I have nothing more to add. I have already answered several times all the points raised. I do not intend to repeat them now. I only wish to refer to a point made by both the leader of the opposition (Mr. Bracken) and the leader of the C.C.F. (Mr. Coldwell), that this is taxation of the poor.

Mr. COLDWELL: As well as the well-to-do.

Mr. ABBOTT: No one has emphasized the fact that under this measure a cent tax is being removed from sugar, which everyone uses, the tax is being removed from tea and coffee, which almost everyone uses, the tax is being removed from the domestic use of electricity and gas, which everyone uses, and that the aggregate of these is estimated to be $21,000,000 a year. A tax is being imposed on a good many things which not everyone uses, or which not everyone needs to buy while this taxation is in effect.

I will not take any more time to emphasize that point, and I emphasize it only because no one, in criticizing the tax, has seen fit to bring it out.

The house divided on the amendment (Mr. Bracken) which was negatived on the following division:

YEAS

Messrs:

Aylesworth
Barrett
Bentley
Blackmore
Blair
Boucher
Bracken
Bradshaw
Bryce
Burton
Cardiff
Case
Casselman
Castleden
Charlton
Cockeram
Coldwell
Coyle
Daniel
Fraser
Graydon
Hlynka
Hodgson
Irvine
Jackman
Jaenicke
Knowles
Kuhl
Lennard
Lockhart
McCuaig
McCullough (Assiniboia)
Macdonnell (Muskoka-Ontario)
MacInnis
McKay
McLure
McMaster
Manross
Merritt
Moore
Probe
Quelch
Skey
Smith (Calgary West)
Stephenson
Stokes
Strum, Mrs.
Timmins
Townley-Smith
Webb
White (Hastings-Peterborough)
White (Middlesex East)
Wright
Zaplitny—54.

NAYS

Messrs:

Arsenault
Beaudoin
Beaudry
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Brown
Chevrier
Claxton
Cloutier
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Dechene
Denis
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Eudes
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Healy
Howe
Jutras
King, Mackenzie
Lafontaine
Langlois
Lapointe
Little
McCann
McCubbin
Macdonald (Brantford City)
McIlraith
McIvor
Martin
Matthews (Brandon)
Michaud
Mitchell
Nixon
Parent
Reid
Richard (Gloucester)
Richard (Ottawa East)
Robinson (Simcoe East)
Ross (Hamilton East)
Sinnott
Smith (York North)
Tremblay
Tucker
Viau
Warren
Weir
Winkler—71.

Mr. JEAN: I was paired. Had I voted, I would have voted against the amendment.

Mr. ABBOTT: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted against the amendment.

Mr. CLEAVER: I was paired with the hon. member for Bow River (Mr. Johnston). Had I voted, I would have voted against the amendment.

Mr. MacNICOL: I was paired with the Secretary of State for External Affairs (Mr. St. Laurent). Had I voted, I would have voted for the amendment.

Mr. FERGUSON: I was paired with the senior member for Halifax (Mr. Isnor). Had I voted, I would have voted in favour of the amendment.

Mr. ROSS (St. Paul's): I was paired with the hon. member for Nipissing (Mr. Gauthier). Had I voted, I would have voted for the amendment.

Mr. DROPE: I was paired with the hon. member for Northumberland, N.B. (Mr. Maloney). Had I voted, I would have voted for the amendment.

Mr. MENARY: I was paired with the hon. member for Cape Breton North-Victoria (Mr. MacLean). Had I voted, I would have voted for the amendment.

Mr. GIBSON (Comox-Alberni): I was paired with the junior member for Halifax (Mr. Dickey). Had I voted, I would have voted for the amendment.

Mr. ROBINSON (Bruce): I did not vote, but had I voted, I would have voted for the amendment.

(Translation):

Mr. HEON: I was paired with the hon. member for Joliette-l'Assomption-Montcalm (Mr. Lapalme). Had I voted, I would have voted for the amendment.

(Text):

Mr. SPEAKER: Is the house ready for the main motion?

Mr. M. J. COLDWELL (Rosetown-Biggar): Before you put the main motion, Mr. Speaker, the Minister of Finance (Mr. Abbott) has never attempted to answer the constitutional question in connection with this matter, and I think, before this bill passes, he should tell the house what constitutional authority there is for the imposition of taxes when parliament is not sitting and without the consent of parliament.

As I said a few moments ago, I regard that as a fundamental principle of our constitutional procedure, a fundamental principle of the historic development of the imposition of taxes by parliament; and I believe that in what has been done by the government in this particular we have a violation of all parliamentary procedure in connection with taxation. So, in order to put ourselves on record I am going to move, seconded by the hon. member for Vancouver East (Mr. MacInnis):

That Bill No. 172 be not now read a third time, but that it be resolved that in the opinion of this house the action of the government in arranging by ministerial announcement for the collection of taxes, of which parliament had not yet been advised and which parliament has not yet imposed, is contrary to established parliamentary practice and without constitutional authority.

Might I suggest to the government that in order to obviate any constitutional difficulty in future the government consider bringing in a bill similar to the act introduced into the British House of Commons and passed in 1913, known as the "provisional collection of taxes act". That legislation was brought in to obviate the constitutional malpractices which had grown up there and with which we are now faced in our own parliament. I suggest that as a parliament we should not tolerate this violation of the historic procedures in connection with the imposition of taxes upon His Majesty's subjects, without making the most emphatic protest of which we are capable. We have made that protest this afternoon; and while perhaps this amendment may delay the house to some extent, I believe it is worthwhile in order to bring home to the government and the country the need, particularly in these days when our democratic institutions are being called into question and when parliamentary procedures in many countries have passed out, to have this democratic country stand behind fundamental principles of parliamentary government, which the action of the present government has violated in this particular.

Mr. NORMAN J. M. LOCKHART (Lincoln): I should like to add just a word before the amendment is put, to say that I shall certainly support it. I happened to be perhaps one of the few in this house a few years back who acted in the dual capacity of mayor of my city as well as representative of my constituency in the House of Commons. On frequent occasions municipal councils take for their guidance the procedure in the House of Commons at Ottawa. I shall preserve the *Hansard* of this session; I shall preserve the words of the Minister of Finance (Mr. Abbott) and of those who have supported him in this illegal action; and I shall return to my fair city and warn the municipal council that never again can they follow the procedure they have followed through the years heretofore, as precedents on which illegal action may be taken as it has been by this government. This action will go down in history. And so I raise my voice in protest before this

measure becomes law. I want to remind the house that municipal councils and those having lesser authority than the House of Commons have always taken this house as their precedent.

Having said that, I now propose to support the amendment so ably presented by the hon. member for Rosetown-Biggar.

Mr. SPEAKER: The amendment before the house is moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) and seconded by the hon. member for Vancouver East (Mr. MacInnis)—

That Bill No. 172 be not now read a third time, but that it be resolved that in the opinion of this house the action of the government in arranging by ministerial announcement for the collection of taxes, of which parliament had not yet been advised and which parliament has not yet imposed, is contrary to established parliamentary practice and without constitutional authority.

I would call the attention of the hon. member—

Mr. KNOWLES: If Your Honour is going to give a ruling, would you permit an hon. member to speak?

Mr. COLDWELL: On a point of order; if you propose to give a ruling on this, will you hear discussion on a point of order before the ruling is given? In looking up previous copies of *Hansard*, I find that that was the custom of the house.

Mr. SPEAKER: At different times hon. members in the house have drawn the attention of the Speaker to the fact that it is very unfortunate that they cannot discuss Speakers' rulings. It is a ruling of the house that Speakers' rulings are not debatable.

Mr. COLDWELL: That is right.

Mr. SPEAKER: If I permit hon. members to enter into a discussion before I give my ruling, I wonder what they are going to discuss, since they do not know what my ruling will be.

Mr. COLDWELL: That—

Mr. SPEAKER: One moment. If the hon. member would like to call my attention to the fact that on account of such precedent or on account of such standing order he believes his amendment is in order, I will hear him with pleasure. But I would remind the house that it is not the duty of the Speaker to listen for about an hour to argument in favour of or against the amendment, and that when I feel I have been enlightened sufficiently I shall give my ruling.

[Mr. Lockhart.]

Mr. COLDWELL: When I saw Your Honour rise with the book of rules in your hand I anticipated that you were about to give a ruling, although a point of order had not been raised. Therefore I ask that, before your ruling is given, an opportunity be afforded to those of us who believe that this amendment is in order, to discuss the point of order which we believe was in your mind.

Some hon. MEMBERS: Oh, oh.

Mr. COLDWELL: Because—

Mr. SPEAKER: If the hon. member would permit me, actually we have before the house an amendment.

Mr. COLDWELL: Yes.

Mr. SPEAKER: To the third reading of a bill.

Mr. COLDWELL: Yes, that is right.

Mr. SPEAKER: And the hon. member wants to rise to speak to a point of order. There is no point of order. Then, if he wishes to speak I have reason to believe he wishes to speak on his amendment.

Mr. COLDWELL: No.

Mr. SPEAKER: I have a ruling to give on the amendment.

Mr. COLDWELL: May I—

Mr. SPEAKER: He cannot rise on a point of order because there is no point of order.

Mr. COLDWELL: I have already spoken on the amendment, and have therefore exhausted my right. I anticipated that you were about to rule.

Mr. KNOWLES: May I speak to the amendment?

Some hon. MEMBERS: No.

Mr. KNOWLES: I have asked Your Honour if I might speak to the amendment. The chorus of "No's" across the way would seem to indicate that I am not entitled to do so.

Mr. CASSELMAN: That is only the steamroller.

Mr. SPEAKER: The hon. member may speak on the amendment, because it is his privilege to speak on the amendment. If it is accepted he will be able to speak to it. If it is refused there will be no amendment before the house.

I would call the attention of hon. members to citation 710 in Beauchesne, third edition, which states:

The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

Then there is a reference to May, page 421. The citation continues:

On the second reading of a bill, an amendment may be moved expressing opinions as to any circumstances connected with its introduction or prosecution, or seeking further information in relation to the bill by committees or commissioners, the production of papers or other evidence, or the opinion of judges.

And I emphasize these words:

This cannot be done on the third reading because it is not directly connected with any provision of the bill. The question for the third reading may be negatived, but as previously stated (in reference to the second reading) such a vote is not fatal to the bill.

Mr. KNOWLES: Before you rule, would you permit an hon. member to speak?

Some hon. MEMBERS: No.

Mr. KNOWLES: I am not asking to debate the ruling. I am asking to speak before your ruling.

Mr. SPEAKER: Under that citation I am obliged to declare the amendment out of order.

Mr. COLDWELL: Since no opportunity was given to discuss the possibility of a ruling I must respectfully appeal that ruling.

Mr. KNOWLES: We have asked a dozen times.

Mr. CHEVRIER: You did not ask at the opportune time.

Mr. KNOWLES: Where have you been?

Mr. SPEAKER: Those in favour of sustaining the Speaker's ruling will say "Yea".

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those opposed will say "Nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "Yeas" have it.

Mr. CASSELMAN: On division.

Some hon. MEMBERS: No.

Mr. SPEAKER: Call in the members.

Mr. Speaker put the question as follows:

Mr. Coldwell moved, seconded by Mr. MacInnis:

"That Bill No. 172 be not now read a third time, but that it be resolved that in the opinion of this house the action of the government in arranging by ministerial announcement for the collection of taxes, of which parliament had not yet been advised and which parliament has not yet imposed, is contrary to established parliamentary practice and without constitutional authority."

I declared that amendment out of order and I based my ruling on citation 710 Beauchesne, third edition, which reads as follows:

"The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill. On the second reading of a bill, an amendment may be moved expressing opinions as to any circumstances connected with its introduction or prosecution, or seeking further information in relation to the bill by committees or commissioners, the production of papers or other evidence, or the opinion of judges. This cannot be done on the third reading because it is not directly connected with any provision of the bill."

Following my ruling, Mr. Coldwell appealed.

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

YEAS

Messrs:

Arsenault
Beaudoin
Beaudry
Benidickson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blanchette
Boivin
Bonnier
Bourget
Bradette
Brown
Chevrier
Claxton
Cloutier
Coté (St. Johns-Iberville-Napierville)
Coté (Verdun)
Dechene
Dion (Lake St. John-Roberval)
Dionne (Beauce)
Douglas
Eudes
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Gariépy
Gauthier (Portneuf)
Gibson (Hamilton West)
Gingues
Gladstone
Golding
Gour (Russell)
Gourd (Chapleau)
Grant
Gregg
Hallé
Harris (Grey-Bruce)
Healy
Howe
Jutras
King, Mackenzie
Lafontaine
Langlois
Lapointe
Little
McCann
McCubbin
Macdonald (Brantford City)
McIlraith
McIvor
Martin
Matthews (Brandon)
Michaud
Mitchell
Nixon
Parent
Reid
Richard (Gloucester)
Richard (Ottawa East)

Robinson (Simcoe East)	Tremblay
Ross (Hamilton East)	Tucker
Sinnott	Viau
Smith (York North)	Warren
	Weir
	Winkler—70

NAYS

Messrs:

Aylesworth	Lockhart
Barrett	Low
Bentley	McCuaig
Blackmore	Macdonnell (Muskoka-Ontario)
Blair	MacInnis
Boucher	McKay
Bracken	McLure
Bradshaw	McMaster
Bryce	Manross
Burton	Merritt
Cardiff	Moore
Case	Probe
Casselman	Quelch
Castleden	Skey
Charlton	Smith (Calgary West)
Cockeram	Stephenson
Coldwell	Stokes
Coyle	Strum, Mrs.
Daniel	Timmins
Fraser	Townley-Smith
Gillis	Webb
Graydon	White (Hastings-Peterborough)
Hlynka	White (Middlesex East)
Hodgson	Wright
Jackman	Zaplitny—54
Jaenicke	
Knowles	
Kuhl	
Lennard	

(Translation):

Mr. HEON: I was paired with the hon. member for Joliette-l'Assomption-Montcalm (Mr. Lapalme). Had I voted, I would have voted —with all due respect to you, Mr. Speaker— against your ruling.

(Text):

Mr. MacNICOL: I was paired with the Secretary of State for External Affairs (Mr. St. Laurent). Had I voted, I would have voted against Your Honour's ruling.

Mr. FERGUSON: I was paired with the senior member for Halifax (Mr. Isnor). Had I voted, I would have voted against Your Honour's ruling.

Mr. ROSS (St. Paul's): I was paired with the hon. member for Nipissing (Mr. Gauthier). Had I voted, I would have voted against Your Honour's ruling.

Mr. MENARY: I was paired with the hon. member for Cape Breton North-Victoria (Mr. MacLean). Had I voted, I would have voted against Your Honour's ruling.

Mr. DROPE: I was paired with the hon. member for Northumberland, N.B. (Mr. Maloney). Had I voted, I would have voted against Your Honour's ruling.

[Mr. Speaker.]

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

Main motion (Mr. Abbott) agreed to, bill read the third time, on division, and passed.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Mr. Speaker, before you call the next order, I move, seconded by Mr. Abbott, that the house be not adjourned at six o'clock. That is in accordance with what I proposed earlier this afternoon.

Motion agreed to.

CUSTOMS TARIFF

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of Bill No. 173, to amend the Customs Tariff.

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

Section 1 agreed to.

On section 2—Date of coming into force.

Mr. MACDONNELL (Muskoka-Ontario): There was one bit of information the minister was going to give.

Mr. ABBOTT: Yes; my hon. friend asked about the reduction in the tariff on coffee. Tariff item 28 covers coffee, green, imported direct from the country of growth and production, or purchased in bond in the United Kingdom. Since 1936 this coffee has been duty-free under the British preferential tariff, with an intermediate tariff rate of three cents per pound and a general tariff rate of five cents per pound. At Geneva the most-favoured-nation rate on this item was reduced from three cents to two cents per pound, and the concession was brought into effect on November 18, 1947, instead of on January 1, 1948, when the other tariff reductions made at Geneva became effective.

The imports under tariff item 28 amounted to 46,000,000 pounds, valued at $4,110,000 in 1939, and to 50,400,000 pounds valued at $13,104,000 in 1947.

Tariff item 29, the item covering green coffee, n.o.p., is not covered by this bill. This item carried a rate of 2¼ cents per pound plus 7½ per cent ad valorem under the British preferential tariff, a rate of three cents per pound plus 10 per cent ad valorem under the intermediate tariff, and a rate of five cents per pound plus ten per cent ad valorem under the general tariff. At Geneva tariff items 28 and

29 were combined, and the rate on all green coffee was made free under the British preferential tariff, with a most-favoured-nation rate of two cents per pound.

I am informed that practically all the green coffee imported into Canada comes under tariff item 28, the item covered by this bill.

Section agreed to, bill reported, read the third time and passed.

INTERIM SUPPLY

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

Motion agreed to, and the house went into committee, Mr. Golding in the chair.

Mr. ABBOTT moved:

Resolved, that a sum not exceeding $179,134,768.66, being one-sixth of the amount of each of the several items to be voted, as set forth in the main estimates for the fiscal year ending 31st March, 1949, laid before the House of Commons at the present session of parliament, and in addition thereto the sum of $2,965,800.33 being one-third of the amount of items 43, 67 and 447, the sum of $1,462,158.50, being one-sixth of the amount of items 151, 154, 155 and 206, and the sum of $2,037,567.83, being one-twelfth of the amount of items 5, 15, 19, 36, 40, 46, 54, 174, 180, 184, 185, 186, 196, 198, 208, 209, 210, 211, 445, 449 and 452 of the said estimates be granted to His Majesty on account for the fiscal year ending 31st March, 1949.

He said: Mr. Chairman, I have had an opportunity of discussing this matter with the leaders of the three opposition parties. The form of the bill which will be based on this resolution is exactly the same as that of the bill passed last year and in previous years.

The general proportion of one-sixth for all services is intended to provide for all necessary ordinary requirements to the end of May.

The additional proportions requested for certain special items are necessary, due to the seasonal and sessional nature of the services affected, such as certain agricultural services, the sessional expenses of the Senate and the House of Commons, seasonal expenses of the Department of Mines and Resources and other services involving total commitments coming for payment in the first few months of the year.

I am asking an additional one-third of three special items. The first is an item of $6,000,000 odd for freight assistance on western feed grains. That vote will expire on July 31, the end of the crop year. So that in effect I am asking for two months supply on that. The second special item is general post-UNRRA relief, which is a revote, and the payment of which will fall due within the next month or six weeks. The final special item in this category is the item relating to trade and commerce exhibitions. It relates to the international trade fair at Toronto and other exhibitions where an unusually large amount of the particular vote will be required in the first month or two of the fiscal year.

The passing of the bill will, of course, not prejudice the rights and privileges of hon. members to criticize and discuss any item in the estimates which will come up for consideration from time to time throughout the remainder of the session, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of this measure.

Mr. MACDONNELL (Muskoka-Ontario): However much repetition there is.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY

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

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. ABBOTT: Mr. Chairman, I desire to move the following resolution covering the amounts dealt with a few moments ago in committee of supply:

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, 1949, the following sums be granted out of the consolidated revenue fund of Canada, namely:

1. The sum of $179,134,768.66, being one-sixth of the amount of each of the items as set forth in the main estimates for the fiscal year ending 31st March, 1949, and

2. The additional sum of $2,965,800.33 being one-third of the amount of items 43, 67 and 447, the sum of $1,462,158.50 being one-sixth of the amount of items 151, 154, 155 and 296, and the sum of $2,037,567.83 being one-twelfth of the amount of items, 5, 15, 19, 36, 40, 46, 54, 174, 180, 184, 185, 186, 196, 198, 208, 209, 210, 211, 445, 449 and 452 of the said estimates, as set forth in the resolution concurred in this day in the committee of supply.

Mr. CASE: Is this the resolution on which the minister gave the undertaking that we would have the right to refer to and criticize any items in the main estimates that are being dealt with?

Mr. ABBOTT: Yes; it refers not only to the resolution but to any items included in the schedules to the bill.

Mr. GRAYDON: It gives us the right to vote against the bill.

Mr. ABBOTT: Yes.

Motion agreed to.

Resolutions reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 183, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1949.

Motion agreed to and bill read the first time.

Mr. ABBOTT moved the second reading of the bill.

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

Mr. CASE: Have we copies of the bill?

Mr. ABBOTT: We never do that.

Mr. CASE: We just vote blind.

Sections 1 to 6 inclusive agreed to.

Mr. BRACKEN: Are these sections all parts of one resolution, or are they separate sections?

Mr. ABBOTT: Separate sections of the bill. I sent a copy of the bill to my hon. friend.

Mr. BRACKEN: Is the minister quite sure they are all separate sections?

Mr. ABBOTT: Yes.

Section 7 agreed to.

Bill reported.

Mr. ABBOTT moved the third reading of the bill.

Mr. JOHN BRACKEN (Leader of the Opposition): Before the bill is given third reading I should like to ask a question. What is the total of the main estimates for the coming fiscal year?

Mr. ABBOTT: I have them right here. The total of the main estimates for the present year to be voted, including statutory items, of course, is $1,985,146,060.84.

Mr. BRACKEN: The minister asked for one-sixth of the main estimates?

Mr. ABBOTT: Yes.

Mr. BRACKEN: In certain instances one-third additional—

[Mr. Case.]

Mr. ABBOTT: In the three instances I gave.

Mr. BRACKEN: And in certain other instances one-sixth more to be added?

Mr. ABBOTT: That is right.

Mr. BRACKEN: And in certain others one-twelfth more to be added?

Mr. ABBOTT: Yes.

Mr. BRACKEN: The total comes to $180 million odd.

Mr. ABBOTT: That is correct.

Mr. BRACKEN: The minister says that the total is nearly $2,000 million, one-sixth of which is some $300 million. We are not voting the statutory items?

Mr. ABBOTT: That is correct.

Mr. BRACKEN: I wish to ask one other question. The minister pointed out that later on we would be free to discuss any items now passed without any curtailment of our privileges. Assuming that the money is all spent, when we come to discuss the items what advantage will there be in discussion? Can we then have the government go back and collect the money it has spent because of our generosity today?

Mr. ABBOTT: We have heard a good deal about the constitution. I am not quite sure how that works out in this case. For obvious reasons, interim supply is voted each year to the extent of one-sixth of the items in the estimates. If the house rejects any item of ordinary estimates I am not quite sure how the matter is resolved.

Mr. BRACKEN: It is not a question of rejecting it, but after the money is spent what good will it do to talk about it?

Mr. ABBOTT: What is being voted is a relatively small proportion, and if the vote were reduced to one-half it would still be adequate to cover what had already been spent. In no case is authority being asked for more than half, and only in exceptional cases where expenditure has to be made early in the year. There is no principle involved.

Mr. BOUCHER: How long has the custom of asking for interim supply prevailed? Am I right in assuming that it started at the outbreak of the war and is being continued, or has it been going on for years?

Mr. ABBOTT: My understanding is that it has been going on for as long as parliaments have been voting supply. Obviously, when you estimate twelve months in advance and

take some little time to vote, some provision has to be made to carry on the essential services of the country, and it is done by means of interim supply.

Mr. IRVINE: If, when we come to the main estimates, these items are not carried, it will be the business of the C.C.F. The minister need not worry.

Mr. MACDONNELL (Muskoka-Ontario): We ought to be grateful to the minister for coming and asking us at all and not simply taking it.

Motion agreed to and bill read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Golding in the chair.

SECRETARY OF STATE

629. Citizenship registration branch—further amount required, $1,220.

Mr. KNOWLES: Could we have an indication of the order in which these items are to be taken up?

Hon. COLIN GIBSON (Secretary of State): I have asked for permission to have my items considered early because I have an engagement tonight.

Mr. CASE: Am I to understand that we will take 588 later?

Mr. MITCHELL: Yes.

Mr. SKEY: Under this item would the minister consider issuing certificates of citizenship to members of parliament?

Mr. GIBSON (Hamilton West): The certificate will be issued to any member who files application and pays the required fee. If he is a veteran there is no fee. This money is required for the microfilming of old naturalization certificates so that we may secure much-needed space by doing away with bulky files.

Mr. GRAYDON: Has any Canadian citizenship been revoked so far because of subversive or communistic activities on the part of any citizen?

Mr. GIBSON (Hamilton West): Not on those accounts, and I do not think that under the act there is provision for it.

Mr. GRAYDON: Is it the intention of the government to amend the act to make that possible?

Mr. GIBSON (Hamilton West): Any policy of the government in that respect will be announced in due course.

Mr. KNOWLES: The act will have to be amended by parliament.

Mr. MACDONNELL (Muskoka-Ontario): Having regard to the opinion expressed by the Minister of Agriculture about certificates of citizenship, can the Secretary of State tell us whether he has taken out one?

Mr. GIBSON (Hamilton West): Yes, I have one, and so have my family certificates.

Mr. MACDONNELL (Muskoka-Ontario): No, but the Minister of Agriculture.

Item agreed to.

631. Canada Temperance Act—further amount required, $1,500.

Mr. TIMMINS: Is this for legal services?

Mr. GIBSON (Hamilton West): The total amount of accounts received and taxed by Justice has already exceeded the amount in the main estimates by nearly $900. The amount expended to date is $4,500, unpaid accounts on hand $887, and estimated further accounts amount to $612, which leaves a further amount required of $1,500.

Mr. TIMMINS: This is administration in respect of the Canada Temperance Act?

Mr. GIBSON (Hamilton West): Yes. The accounts come into my department and are taxed by the Justice department.

Mr. CARDIFF: If this act does not work any better in other parts of Canada than it has in the county of Huron, I object to any more money being spent on it.

Mr. CASE: Does any of this money result from references to the privy council for legal fees or anything of the kind?

Mr. GIBSON (Hamilton West): It is purely for the Canada Temperance Act.

Item agreed to.

Patent and Copyright Office—

632. Administration division—further amount required, $200.

Mr. GRAYDON: Last year the government increased by $1,500 the fees for obtaining patents so as to take care of printing costs. What progress has been made in connection with the printing of these patents as authorized?

Mr. GIBSON (Hamilton West): I am glad to say that the patent office has been able to

get into a new building. We have more commodious quarters. The question of printing patents is being taken up between the king's printer and the commissioner of patents, and very good progress will be made on that work.

Mr. TIMMINS: Has the increase been adopted in fees in respect to patents?

Mr. GIBSON (Hamilton West): Yes. They were adopted last year.

Item agreed to.

Public Printing and Stationery—

616. Printing and binding office publications for sale and distribution to departments and the public—further amount required, $50,000.

Mr. BOUCHER: Can the minister give us an idea of the regulation with respect to the printing of various pamphlets, especially as regards numbers? Recently some pamphlets were printed for the Department of Agriculture which were desired in my own riding. I made application for some and was told I was allowed only twenty-five, that the rest were being sent out by the department itself to a list of people. Frankly, if we are going to vote money each year for the printing of publications of this kind and a member of the House of Commons who desires some for distribution within his own riding is limited to twenty-five or fifty copies, I think this item should be reduced to $1, because I resent that sort of treatment.

Mr. GIBSON (Hamilton West): This $50,000 is for the printing of publications for which payment will be received; but when the payment is made it will go to the Receiver General of Canada. Last year we received something like $100,000 from the government and $144,000 from the sale of publications, so the profit was nearly $44,000.

Mr. MACDONNELL (Muskoka-Ontario): What was the original amount to which this $50,000 now is to be added?

Mr. GIBSON (Hamilton West): The amount in the main estimates was $60,000, and there was a further amount of $65,000 in the supplementary estimates.

Mr. MACDONNELL (Muskoka-Ontario): Then if I added those figures correctly the amount originally voted was $125,000, and now you ask for almost fifty per cent more. That does not seem to me like estimating at all; it seems just like guessing, unless there has been a drastic change in the situation.

Mr. GIBSON (Hamilton West): As my hon. friend says, this is an estimate only. This item covers orders received by the printing department from various government departments. The printing department does the printing and supplies the publications, which are put up for sale. The printing department cannot know a year in advance what orders will be received from other government departments.

Mr. MACDONNELL (Muskoka-Ontario): I do not want to press the point, but I would have thought that year in and year out the thing would average, and there would be a fairly normal figure. If that is not so, there is nothing more to be said about it.

Mr. GIBSON (Hamilton West): Last year the amount expended was $99,999.97, or practically $100,000. This year there has been a good deal more printing.

Item agreed to.

LABOUR

Unemployment Insurance Act, 1940—

588. Government's contribution to unemployment insurance fund—further amount required, $5,000,000.

Mr. MacINNIS: Before this item passes I want to say a few words in connection with a situation that has developed since the end of the war, when we have had more unemployment than we had during the war years. In most cases the municipal and provincial governments look after unemployables, but neither the municipalities nor provinces nor the dominion government make provision for employable persons who are unemployed. That is the case with persons who have not qualified for unemployment insurance, and those who have exhausted their benefits under that legislation.

In the proposals made by the dominion government to the provinces in 1945 the dominion agreed to take care of that class of unemployed person. Last winter—and perhaps the situation is still not as good—the number of unemployed was larger than at any time since this act came into effect. A great many persons, young men in particular, found themselves unemployed without having sufficient contributions under the act to entitle them to the benefits of the act. I have a letter from which I should like to quote in order to show how people feel about this situation; and while I am on this point I would suggest to the Minister of Labour that perhaps a better public relations job could be done in connection with unemployment insurance than is done. In 1940 when the act was passed there was considerable opposition to it among workers, but I found that when I spoke to them and explained to them the purposes of the act and its limitations, it was accepted as

something worth while. I am convinced that much of the criticism of the act is due to a lack of understanding of it and a lack of appreciation of its limitations.

The writer of this letter is a father whose son, seventeen years of age is unemployed. Most hon. members of this house with boys of that age have them at school, but this young fellow was working and had contributed to the unemployment insurance fund for 171 days. He needs 180 days in order to be eligible for benefits. Another young lad referred to in this letter, not a son of the writer, had contributed 178 days. He was two days short of the required number of contributions, and was not eligible when he became unemployed. I am not suggesting that the act should be stretched even for a day to meet cases of this kind.

Mr. MITCHELL: Might I ask my hon. friend, for my own information, what city that was in?

Mr. MacINNIS: This was in Swift Current. I have written this man, and I should be very glad to show the minister my letter if he would care to see it. This man feels, and I think rightly so, that something should be done to assist these young fellows when they are not eligible for unemployment insurance. Referring to the boys he says:

> They cannot get work, so what is left for them to do. Nothing but loiter around pool halls and walk the street, or join the army or some other branch of the services.

Then he uses language I will not repeat in this house, and goes on:

> I spent five years and eight months in the army, and now I am beginning to wonder what it was all for. I thought we were going to have a better Canada for our sons and daughters, but it looks pretty grim now for our boys and girls. They don't want something for nothing. They want work and a chance to make a living, but at present it looks as if the soup kitchens will have to come back unless those boys and girls can get at least 180 days' work a year.

My suggestion to the minister and the government is that as quickly as possible they revive the proposals made to the provinces in 1945, and call a conference of the provinces in order to have those proposals discussed, and if possible accepted and thus extend protection to young men, and old men as well who cannot qualify for unemployment insurance.

I want the minister to understand that I am not at the moment finding fault with the administration of the act. Those who are charged with its administration must administer it according to its provisions. If they once begin departing from that they will get into trouble, because there will be no line as to where they should stop.

But there is something that must be done here. Let us consider these two young boys of seventeen or eighteen years of age. In this formative period of their lives they find themselves at loose ends, without any protection from society. It is a serious situation for them. It may be only for a short time, but on the other hand it may be for a considerable time.

During the past few weeks we have heard a good deal about the dangers of communism. I would be the last one to say that it is not dangerous. But we should remember that communism grew out of bad social conditions and the suppression of a people's just aspirations. We are not going to put an end to communism or eliminate it by suppression at this stage. We will eliminate it and prevent its growth only if we can convince the people of this country that their welfare is our consideration at all times. I suggest to the minister that as soon as possible he try to convince his colleagues in the cabinet, if indeed they are not already convinced, that here is a situation that should be remedied, and without delay.

Mr. MacNICOL: It is not often that a minister or any of his officials receives a word of praise. I am pleased to be able to accord that praise today. I refer to the administration of the department's offices on Spadina avenue, Toronto, where I have had occasion to go to observe—not for myself, may I say—what has been going on. So far as I could see, from the manager down, the officials there are trying to do their best to alleviate the troubles with which they come in contact daily. That is not an easy task to carry out without difficulty, but I believe they are taking care of the situation as best they can.

Any time I have had occasion to make inquiries in that branch in Toronto I have been accorded the utmost courtesy—and they did not know I was a member of parliament. Many people go to that office daily and have been treated with the courtesy which is their right and due. So far as I can see they are waited on promptly, just as I saw this kind of work done in England. I congratulate the departmental officers in the Spadina avenue office in Toronto upon the way they are carrying on their job.

Mr. SKEY: Mr. Chairman, I should like to endorse much of what was said by the hon. member for Vancouver East, who has drawn attention to conditions in connection with the operation of the act about which the minister

and his deputies will probably want to know, and about which perhaps they will wish to effect remedies when possible.

Hon. HUMPHREY MITCHELL (Minister of Labour): I do not wish to interrupt the hon. member, but perhaps I might be permitted to say that consideration is being given to amendments to the Unemployment Insurance Act. Perhaps rather than discuss details at this time it would be better to do that when the bill is before the house.

Mr. SKEY: I thank the minister for his reference. I believe he has already made a similar statement in the house. However, very briefly I should like to mention one or two points which have come to my attention so that the minister and his officials may give them consideration when they are considering the amendments.

The first is consideration of conditions under which contributions can be returned to those declared permanently ineligible in some way or another for receipt of benefit when they become unemployed.

The second is with regard to young women who marry and, we hope, permanently withdraw from the business world. It seems to me that these girls never have an opportunity of deriving benefit from the many contributions they make, and that the act should take that fact into consideration.

The third recommendation is that the minister and his officials should consider seriously the addition of a clause which would permit the collection of unemployment insurance by those who have to withdraw from the labour market because of illness arising through no fault of their own. I realize that they are covered by workmen's compensation legislation, but I think there should be a sickness clause added to the unemployment insurance measure.

Can the minister give the house the total reserves now on hand in the fund?

Mr. MITCHELL: They amount to $440,829,668.79.

Mr. SKEY: What was the amount in 1939, before the war?

Mr. MITCHELL: There was no such act before the war.

Mr. SKEY: You were in the red?

Mr. MITCHELL: No, there was no Unemployment Insurance Act then. However I could give the hon. member figures for a later year, because I believe that is what he wants. In 1942 the amount was $43,964,246.68. I observe in passing that this big fund is an indication of the employment situation in the

dominion. As I said to a labour delegation not long ago, I hope it gets bigger and bigger, because the bigger the fund, the less unemployment there is in Canada.

Mr. SKEY: I should like to complete my remarks by telling a story which I believe the minister will appreciate. I know of a British company which put in a combination scheme for its employees, and when putting in the scheme an actuarial mistake was made. Now the total amount in the pension fund is greater than the whole capitalization of the company concerned. The directors are so tied up that they cannot touch the fund and no one can do anything about it. Those poor working men, for a period of about 150 years, have been paying into the fund and no one in the firm has received a benefit comparable to the contributions made. I would hate to see that happen here.

Mr. MITCHELL: You cannot laugh it off as easily as that, by telling a story. In 1920, I believe it was, the British fund was insolvent. The government of that day had to pour millions upon millions of pounds into it, and for obvious reasons. I hope I shall never live to see the day when we will have conditions such as we had in the thirties, but if we should ever reach that unfortunate situation, $400,000,000 would be only chicken feed.

Mr. COCKERAM: Last night I asked about annuities.

Mr. MITCHELL: I have that information.

Mr. COCKERAM: I am wondering why an increase of $5,000,000 is necessary at this time, in view of the fact that that is almost sixty per cent of the amount voted for the whole of last year. This amount seems large, coming as it does at the end of the financial year.

Mr. MITCHELL: As I have said, employment conditions are so good at the present time that there has been what I suppose might be described as a slight miscalculation. I think it is fair to say that this is the biggest business in Canada. We have 3,125,000 clients at the present time, and that is big business. Hundreds of thousands of people pass through the offices every year. The government's contribution is 20 per cent of the amount contributed by the employer and the employee. During the period April 1947 to January 1948 the contributions to the fund by employers and employees through the sale of unemployment stamps and by means of bulk payments—some firms paid in that way—and other means, totalled $64,163,074.33. The government's contribution of 20 per cent of

those contributions amounted to $12,832,614.87. An amount of $3,457.58 was paid on account of 1946 in 1947-48. That makes a total of $12,836,072.45. The amount of $12,500,000 which was voted last year lasted only until January of this year. The government was indebted to the fund as of yesterday in the amount of $3,900,000 and it is estimated that $1,100,000 will be necessary to meet our obligations to the fund between now and the end of March.

My hon. friends may think that that is a lot of money to spend between March 24 and March 31, the end of the financial year, but the fact is that many contributions for March are made in April. It is estimated that to take care of the government's contribution in that regard we will require this additional amount.

Yesterday when my supplementary estimates for the annuities branch were before the committee I said in reply to a question by the hon. member for York South that the extra amount required was due to increase in business and that the increase would be $3,250,000 for this fiscal year over the previous fiscal year. I thought perhaps the committee would be interested in the total figures showing the business which is being done by the annuities branch. For the last fiscal year ending March 31, 1947 the receipts were $72,009,764, a gain of about $25,000,000 over the preceding year, the total receipts in which amounted to $46,954,536. In the fiscal year ending March 31, 1945 the receipts totalled $33,076,436; for the year ending March 31, 1944 receipts totalled $26,600,097.75; for the year ending March 31, 1943 receipts totalled $20,415,365. In 1947 there were 194,623 individual contracts and certificates issued. This included 612 group contracts.

The hon. member for Muskoka-Ontario asked me about the commissions paid to annuities representatives. The following is the scale:

1. For immediate annuities and single payment deferred annuities commission is one per cent of premium.

2. For deferred annual payment annuities the scale is graduated according to when payment is to be completed.

3. There is a maximum commission payable for an annuity or annuities on the life of one person of $50.

4. In the case of retirement annuity plans, rates applicable to individual annuities apply but only up to a maximum of $400.

5. If a representative's commissions for the current month exceed $300, they are subject to a reduction of 50 per cent of the excess.

If commissions thus calculated exceed $500 they are subject to a reduction of 75 per cent of the excess.

Item agreed to.

NATIONAL HEALTH AND WELFARE

National health branch—

608. Medical services—Indians and Eskimos—further amount required, $500,000.

Mr. COCKERAM: Will the minister explain this item?

Hon. PAUL MARTIN (Minister of National Health and Welfare): Owing to the increased cost of hospitalization and medical care the amount of $2,000,000 already provided for special professional services will be inadequate this year. As my hon. friend knows, hospital costs are mounting and the cost of everything has gone up tremendously. We have a program that will require this extra amount which was not provided in the original estimate.

Mr. COCKERAM: How many doctors are included in this scheme?

Mr. MARTIN: There are about 700 part time doctors and about 60 or 70 permanent doctors. We have doctors in communities where there are Indians who render medical service and professional attendance; their fees are up and hospital costs are up. As a matter of fact we have not been able to meet the demands made upon us by hospitals in many parts of Canada with regard to payments.

Mr. BRACKEN: What is the amount for this item for the next fiscal year?

Mr. MARTIN: Approximately $7,187,530.

Mr. DROPE: Have the fees charged by part time medical officers been raised?

Mr. MARTIN: In some areas, yes.

Mr. DROPE: How much?

Mr. MARTIN: It depends upon the area. There is no uniform basis covering the whole country.

Mr. DROPE: I take it that there is no standard system, that each case is worked out individually.

Mr. MARTIN: We work out each case in the light of conditions in the locality, just as we do with hospitalization.

Item agreed to.

POST OFFICE

613. Railway mail service—further amount required, $470,000.

Mr. MACDONNELL (Muskoka-Ontario): What is the total amount paid for railway mail service and what percentage does this additional amount bear to the total?

Hon. ERNEST BERTRAND (Postmaster General): Last year postal gifts which were sent to England showed a large increase. During the month of November they were up 42 per cent, mostly Christmas gifts being sent to England, but the average increase for the other eleven months in the year was 16 per cent. In 1946 it cost for the full year $443,000; in 1945, $376,000, and in 1944, $411,000. The rate of increase in expenditure for the other eleven months of 1947-48 was slightly over 16 per cent compared with the same period in 1946-47.

The provision made in the main estimates in 1947-48 was $2,385,000. We were short in our estimate by $470,000, which is the amount now being asked for. We did not think our Canadians would be sending so many gifts to England, and we had to transfer an allotment of $130,000. That meant that the total expenditure last year was $2,985,000. The provision in the main estimates for 1948-49 is $2,765,000, and if our Canadians are just as generous in sending gifts abroad this year as they were last, we shall be short again.

Mr. BOUCHER: The minister's figures include the whole cost of giving the service, but do not include the revenue. I presume that when he spoke of a loss he meant the cost.

Mr. BERTRAND (Laurier): That is right.

Item agreed to.

614. Air and land mail services—further amount required, $150,000.

Mr. COCKERAM: Does the same explanation apply to this item?

Mr. BERTRAND (Laurier): As the hon. gentleman knows, we have been paying supplements on the rural mail contracts. These supplements and other expenditure exceeded our estimate by $150,000. The main estimates for 1947-48 amounted to $10,750,000. That was expended, plus further supplementary estimates of $400,000, and the amount now applied for, $150,000, is the amount we are short. The estimate for 1948-49 is $11,980,000.

Mr. COCKERAM: The minister said the expenditure was $10,000,000 odd. I see by vote 313 that the estimate last year was $17,488,000. What is the explanation of that discrepancy?

Mr. BERTRAND (Laurier): The figure my hon. friend has quoted was for air and land mail services, but the vote now before us is for ordinary land conveyance, including rural mail delivery.

[Mr. Macdonnell (Muskoka-Ontario).]

Mr. COCKERAM: The wording of the item in the main estimates is exactly the same as the wording in 614, "air and land mail services".

Mr. BERTRAND (Laurier): The wording is the same, but I am dealing now with mail by land, not by air.

Mr. COCKERAM: We are up in the air on this.

Mr. BERTRAND (Laurier): We shall be when the main estimates pass.

Mr. CHARLTON: Was there not a surplus in the Post Office department last year?

Mr. BERTRAND (Laurier): Yes, a surplus of about $8,000,000, but it goes to the receiver general. If we had a surplus of $35,000,000 it would go to the receiver general. All we can spend is what is appropriated by parliament.

Item agreed to.

PUBLIC WORKS

617. Ottawa—maintenance and operation of dominion public buildings and grounds including rents, repairs, furniture, heating, etc.—further amount required, $225,000.

Mr. MACDONNELL (Muskoka-Ontario): What was the original estimate which is now being increased by $225,000? I want to get an idea of the percentage of errors.

Hon. ALPHONSE FOURNIER (Minister of Public Works): Less than five per cent. Last year the estimate was $5,753,382. We under-estimated by $225,000.

Mr. MACDONNELL (Muskoka-Ontario): What does that cover?

Mr. FOURNIER (Hull): Light and power, $40,000; furniture $50,000; materials and supplies, $135,000.

Mr. MACDONNELL (Muskoka-Ontario): Is that just for public buildings in Ottawa?

Mr. FOURNIER (Hull): Yes.

618. Maintenance and operation of dominion public buildings and grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc.—further amount required, $250,000.

Mr. MACDONNELL (Muskoka-Ontario): What is the explanation of this?

Mr. FOURNIER (Hull): The total vote for 1947-48 was $7,122,209. We under-estimated by $250,000, which comprises materials and supplies, $100,000, and furniture and fittings, $150,000.

Item agreed to.

Construction, repairs and improvements—harbours and rivers—Ontario—

624. Thames river — redredging — further amount required, $15,200.

Mr. MacNICOL: I presume this is for dredging at the mouth of the Thames river. Have the departmental engineers ever considered following the program of the engineers who look after the mouth of the Mississippi, of constructing a channel so that the water will run away faster and take the sediment out to deeper water? The mouth of the Thames river, as I have seen it in the springtime, is loaded with sediment which is dissipated and makes sand bars across the mouth of the river so that when a flood comes down the river the flow of water is blocked by the sand bars. Have the engineers ever considered constructing a channel right out into the lake?

Mr. FOURNIER (Hull): I could not give a definite answer. These works were started last year with an estimate of $45,000. We found as the work proceeded that that amount was not sufficient to open the channel. It is difficult to make an accurate estimate of the cost of works of this kind. Often our engineers will report as the work proceeds that they will not be able to complete it with the amount at their disposal. I will take serious note of what the hon. gentleman has just said and ask my officials for a report.

Mr. MacNICOL: There have been some serious floods on the Thames river, and one of the causes of these floods is that the water cannot get away fast enough once it gets down to the level land around Chatham. It cannot get away to the lake, and particularly at the lake the flow of the water laden with sediment at the mouth of the river into the lake has created sand bars. Floods are becoming very serious in western Ontario. This government will have to combine with the provincial government and other bodies to eliminate the floods on this river. One of these springs the city of Chatham will be seriously damaged, as was the city of Dayton on the Miami river a few years ago. It is a big problem. I should like the minister to consult with his engineers on this question and assist in eliminating floods by allowing the water of the Thames river to get away more freely.

Mr. FOURNIER (Hull): This natural bridge is caused by these floods. The expenditure of these moneys is justified to try to alleviate the condition, because this sand bar is formed by the spring floods coming down. We have not devised a means yet to eliminate it. As I said a moment ago, I shall certainly refer the remarks of the hon. gentleman to the engineers to see if they can find a way to stop these floods.

Item agreed to.

General—

628. Miscellaneous works not otherwise provided for, not more than $5,000 to be expended upon any one work—further amount required, $11,950.

Mr. MACDONNELL (Muskoka-Ontario): Is that a work of art?

Mr. FOURNIER (Hull): No. We just passed the national gallery. These are miscellaneous works.

Item agreed to.

LEGISLATION

House of Commons—

592. General administration—estimates of the Clerk—further amount required, $108,000.

Mr. KNOWLES: There were certain questions I planned to ask at this time, but I was glad to hear Mr. Speaker answer some of them at three o'clock this afternoon. My questions had to do with what progress is being made in the matter of salary increases for employees of the House of Commons, and also whether these increases might be made retroactive to the same date that applied in the case of civil servants. I am sure the Speaker noted how pleased the house was with the announcement he made at three o'clock that increases would be forthcoming shortly and that they would be made retroactive to October 1 last. May I ask His Honour the Speaker at this time if he can say whether the matters now under consideration include a pension plan for sessional stenographers, assuming that they meet certain conditions?

Mr. SPEAKER: I am very glad to take this occasion to call the attention of the house to the fact that the Speaker is not only the hon. gentleman who from the Chair has from time to time called the hon. member to order and has to decide whether an amendment is in order or not—

Mr. TIMMINS: Can we talk back to the hon. gentleman now?

Mr. SPEAKER: As the hon. member knows, he is at the same time something like the manager of a big office building or a hotel. He is responsible for the restaurant; he is responsible for the cafeteria; he is responsible for giving hon. members efficient and pleasant stenographers and messengers

and good service. I may say that in that respect he is as much interested as anybody—I would say more than anybody—in trying to do everything possible to recognize the good service given by all the employees of the House of Commons. I believe hon. members will give me credit for having tried, since I have been Speaker of the house, to do everything possible to help these people. Last year we considered what we could do to guarantee a position to everybody who is working in this house and to increase their salaries as the salaries of other people working in the government have been increased, to try to be agreeable and to help. Hon. members should not forget—and it is very important—that contrary to the rules in other departments of the administration of the country, the employees of the House of Commons are not responsible to the government nor to the administration of the country; they are responsible to the house. Therefore it is the privilege of the house to employ all the employees that we need for good service in the house, and I believe we should do everything possible to keep that privilege.

I hope that hon. members will understand the explanation that I am giving them. I understand that some hon. members believed from my pronunciation that I am just back from England or that I am living in Toronto, but unfortunately even if my English is not too good I hope that my words will be perfectly understood. The positions of all employees of the house are being considered at the present time by the internal economy commission of the house. A report will be made and tabled in the house. As I said this afternoon in my statement, it is the intention of the government to introduce in the house as soon as possible after Easter a resolution and a bill founded on that resolution in order that those who are entitled to be appointed permanently will be appointed permanently; salaries will be decided for such and such a job, and I have every reason to believe that all the employees will be perfectly satisfied.

Mr. RICHARD (Ottawa East): As one who has taken a special interest in all of the employees of the House of Commons, together with my colleague from Ottawa West, I must say that I am rising at this time particularly to congratulate our Speaker on the special attention he has given in the past two years to the staff and to the service in this house. I have confidence that his intentions are good in the case of employees of this house, and that their fate could not be in better hands. I am sure that justice will be done to any claims which may be made on behalf of employees of the house.

[Mr. Speaker.]

Mr. KNOWLES: I am sure we are all grateful for the statement that Mr. Speaker has made on this occasion. There are one or two comments I wish to make. His Honour indicated, and I think rightly, that the employees of the House of Commons are in a different category from the employees of the government, and I think it is correct to say that both the members of the House of Commons and the employees themselves want it to remain that way. His Honour referred to this as a privilege, and correctly so. I simply make the obvious remark that privileges carry with them responsibilities and that of course is the reason we are all interested—that is why Mr. Speaker is interested—in meeting our responsibilities to these people.

The Speaker referred to the comparison between employees of the House of Commons and the employees of the government generally. It is true that there have been increases in salaries for many classifications of civil servants, and I hope this will be done for all employees of the House of Commons. I hope that consideration will be given to some of those who have been here a long time and have not had increases for quite a number of years. Some times it happens that an employee's salary in terms of daily wage does not look too bad, but when it is realized that he has been on that same rate per day for a good many years and the cost of living keeps going up, he feels it is unfair to him if he does not get some increase as well.

I was glad to note what the Speaker said, that consideration was being given to all employees. I hoped he would be able to answer my question about stenographers in relation to pension plans. Did his reference to making some members permanent cover that phase of the matter?

Mr. SPEAKER: I do not wish to make any commitment. After all, I am chairman of the committee which is known as the internal economy commission, and it has to approve a report which will be tabled in the house, but I may say to my hon. friend that I have always been an employer throughout my life, as I am at the present time in this House of Commons, and thank God, I understand the problems of employees, just as I understand, as a father, the problems of my children. I assure him that I will do everything possible, as I have done in the past, to give justice to these people and to give them security. They will receive what they deserve.

I am very sorry that, as the hon. member knows, we were so busy with committees and the business of the house that we could not

settle the matter before Easter. I should very much have liked to make a declaration, for the benefit of the employees of the house, that such a decision has been reached before the Easter recess. Unfortunately that could not be done, but I assure my hon. friend that something will be done to their satisfaction. Moreover, it will be retroactive, so that they will not lose anything.

Mr. KNOWLES: Mr. Chairman—

Mr. HOWE: We all love the employees of the house. Sit down.

Mr. KNOWLES: What did the hon. member say?

Mr. HOWE: We all love the employees of the house.

Mr. KNOWLES: What was the rest of the remark?

Mr. HOWE: You have spoken three times.

The CHAIRMAN: The member for Winnipeg North Centre has the floor.

Mr. KNOWLES: Thank you, Mr. Chairman. Another question I wish to direct to Mr. Speaker arises out of his reference to his responsibility for what he called a hotel—namely this building—with a good many activities included. One problem that does face this parliament right now, a problem which will become more acute after the next election, when there are ten more members, is that of office space for the members. This is a problem that has been brought to the Speaker's attention many times. Can he tell the committee now whether any progress has been made in securing additional office space for members, so that some of the crowded conditions experienced at the present time may be relieved, and so that there may be room for the ten additional members after the next election?

Mr. SPEAKER: I wish my hon. friend understood French. May I say this to him: "Une jolie fille ne peut donner que ce qu'elle a". That means that a nice girl can only offer what she has. Many members on both sides of the house have asked me for a private office. I should like very much to accommodate them if the space were available in this building. Unfortunately, Mr. Chairman, we need more accommodation for the requirements of the House of Commons.

Mr. TIMMINS: On behalf of the backbenchers, and I occupy the bench farthest back on this side, may I say something with respect to the acoustics of the chamber, now that we have Mr. Speaker himself in the benches. I cannot always hear what is going on for more than five minutes at a time, and it is disconcerting, when one is trying to listen to debates, to have those who occupy the front rank discussing matters of importance back and forth at the beginning of the day when the rest of us cannot hear what is being said. On behalf of the backbenchers, may I say that we would appreciate it if something could be done and done soon, so that all of us in the house, even if we are comparatively new and unimportant, shall feel that we have some part in what is going on.

Mr. GRAYDON: May I intervene with reference to those who find employment in the House of Commons and the parliament buildings. I should not like word to go out that because some members are speaking a little more than others about the good points of those who work here, we have not all just as keen and as effective an interest in the welfare of these people. I think that goes for everyone in the house. We have received the most courteous and efficient service as members. I have been here now for almost thirteen years and I must confess that we owe a great debt of gratitude to those who have served us in one capacity or another on the staff of the House of Commons and in these parliament buildings. I want to say that Mr. Speaker will have the sympathetic support of those who sit in this part of the house, as I am sure he will receive the support of those in other parts, in giving these people a square deal. I need not say more to indicate that we are unanimous on this matter, as far as the membership of the House of Commons is concerned.

Mr. McIVOR: I just want to say that we on this side of the house are just as much interested as anyone else in seeing that the staff of the House of Commons, particularly the stenographers, get a square deal. I take this opportunity of thanking the Speaker and those responsible for those employees getting paid during the holiday, and I hope he will give favourable consideration to the granting of pensions to those who have given long service.

Item agreed to.

Progress reported.

Mr. SPEAKER: Mr. Chairman, before you proceed with another department, I should like to read a message I have received from government house.

THE ROYAL ASSENT

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

Ottawa, March 24, 1948

Sir,

I have the honour to inform you that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber today, 24th March, at 8.30 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
J. F. Delaute,
Assistant Secretary to the Governor General.

SUPPLY

The house again in committee of supply.

DEPARTMENT OF MINES AND RESOURCES

Mines and geology branch—

597. Yukon coal development, $100,000.

Mr. MacNICOL: Before the hon. member for Yukon left for his holiday, I was pleased to hear him laud the fine support he had been given by the Minister of Reconstruction and those associated with him in inducing the government to support the development of coal in the Yukon. The hon. member said it was good coal and that it would be of great help to the Yukon, to Whitehorse, Dawson and the other communities, so I should like the minister to tell us whether the development has already commenced, and if so what tonnage has been developed? I want to express my own appreciation of his support in promoting the development of coal in the Yukon.

Hon. J. A. MacKINNON (Acting Minister of Mines and Resources): As acting minister, on behalf of my colleague who unfortunately is ill, I might say that, due to the depletion of readily accessible supplies of wood fuel, an urgent demand has arisen in the Yukon Territory for coal for domestic fuel, mining operations, shipping, et cetera. In 1947 certain mining interests in possession of a coal mine at Tantalus Butte undertook to re-equip the mine, bring it into production, and operate it to meet the needs of the Yukon, if the government would lend funds not exceeding $300,000 to assist in developing and operating the colliery, the loan to be on a repayment basis of $2 per ton of coal sold or used, and to carry interest at 3½ per cent per annum. Authority was granted to the Department of Mines and Resources to enter into an appropriate agreement. Funds were made available by the Department of Reconstruction and Supply, subject to reimbursement by a supplementary estimate. The mine is being re-equipped and developed and some production has already been secured. It is anticipated that $100,000 will be expended in the current fiscal year.

Mr. MacNICOL: That ought to help the development of the whole Yukon because, as the minister said, the amount of timber now available is almost negligible and the cost of what is there is excessive. It runs in my mind that when I was in Dawson they were paying as much as $30 a cord for wood for which I would not pay a dollar. So, if this mine can be brought into development it will mean a great deal, and I am glad to hear the minister say that some coal is being turned out.

Item agreed to.

Lands, parks and forests branch—

599. Administration of the Migratory Birds Convention Act—further amount required, $900.

Mr. ZAPLITNY: Could the acting minister tell us whether any representations have been received recently from game and fish associations across Canada, asking for the revision of the Migratory Birds Convention Act?

Mr. MacKINNON: I am afraid I cannot give the hon. member that information at the moment. I was notified only today that I would be acting minister of the department, but I will get the information and give it to the hon. member.

Mr. ZAPLITNY: That is quite satisfactory.

Item agreed to.

Lands, parks and forests branch—

600. Forest and wildlife conservation—further amount required, $29,938.

Mr. COCKERAM: I suppose the same situation applies in connection with this item? Can the minister say why this expenditure is required?

Mr. MacKINNON: This additional amount is required to cover costs resulting from forest fires during June, August and September in Highlands national park, Cape Breton.

Item agreed to.

Indian Affairs branch—

604. Welfare of Indians—further amount required, $100,000.

Mrs. STRUM: I should like to know what this represents.

Mr. MacKINNON: This is the estimated amount required to provide the minimum

assistance to Indians to prevent suffering. Because of price increases, the cost of food supplies which were contracted for last year is much greater than was estimated. Indians in northern Canada are having a poor fur catch for the second year in succession. Rabbits, a source of food, are scarce. Because of these circumstances and the increased cost of living, the department has had to give financial help.

Mrs. STRUM: Then this applies to the ration position, does it?

Mr. MacKINNON: Yes.

Mrs. STRUM: Then is the minister contemplating the payment of old age pensions this year?

Mr. MacKINNON: I could not say. I will have to inform the hon. member later.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

636. Exhibitions, including authority to refund from revenue deposits received for contracts for space at the Canadian international trade fair, further amount required, $90,000.

Mr. COCKERAM: Will the minister tell us about this item?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): An appropriation of $550,000 has been made in the main estimates for a trade fair in Toronto. Every nation of the world will be represented by its products—

Mr. GRAYDON: Every one?

Mr. HOWE: You would be surprised at some of the countries which will be there in full force. The amount of $550,000 was provided for the next fiscal year, but it was found that a portion of the money will be required this year to make alterations in the buildings. Therefore the sum of $90,000 is being moved ahead from the appropriation of next year into this year's vote. That is why it is here.

Mr. TIMMINS: We do not expect to make revenue from the fair, do we?

Mr. HOWE: No, but we expect we shall break even.

Item agreed to.

Canadian government travel bureau—

637. To assist in promoting the tourist business in Canada—further amount required, $175,000.

Mr. MacNICOL: Each of the nine provinces is spending large sums of money, and properly so, in the promotion of the tourist business, one of our best businesses. I have been wondering whether what is done in the provinces overlaps that done by the dominion. Is there any duplication?

Mr. HOWE: The purpose of the dominion travel bureau was to co-ordinate and supplement the work of the provinces. In my opinion that is what is being done. This amount of $175,000 was for a special drive put on for winter business this winter, in advertising skiing resorts and winter holiday opportunities in Canada. I believe the effort was reasonably effective. The resorts had a good winter.

Mr. MacNICOL: What is the total amount of money spent by the federal government and the nine provinces?

Mr. HOWE: It would run into probably $4,000,000 or $5,000,000; and in my opinion that is not too much. I think we should spend more rather than less money in advertising the travel possibilities of Canada.

Mr. FRASER: Does the minister not think the government should have some plans for the trans-Canada highway, in order to attract tourists here, because at the present time we have not proper roads through Canada. They have to travel too much in the United States.

Mr. HOWE: All things in their time. At the present time manpower in Canada is being used to the full in other ways. As soon as we have surplus manpower we shall certainly undertake that.

Mr. FRASER: I am suggesting that the government should now have a plan, with the different provinces, in deciding where the highway will go. Then, when we have plenty of manpower and materials, let the road be built. But that plan should be drawn up now.

Mr. HOWE: I think there is a lot in what you say.

Mr. MACDONNELL (Muskoka-Ontario): I suggest to the minister that when we come to the estimates after the Easter recess we should have an answer to the question asked by the hon. member for Davenport, as to what is being done by other agencies spending money in Canada.

Mr. HOWE: I shall be glad to have that information when the main estimates are under consideration, and when the officers of the branch will be with me.

Mr. CARDIFF: I understand that practically all this money is spent on advertising.

Mr. HOWE: Yes.

Mr. MacNICOL: I will not detain the house much longer, but we know the minister had much to do with the construction of the Shipshaw project, which is in this country the greatest power plant we have. I have been wondering if by some method the tourist bureau could advertise that project, and bring the facts associated with it to the attention of the people of the United States. Recently, when I was at Boulder dam I was told by an engineer there that Boulder dam is gradually becoming the greatest tourist attraction in the United States. I looked at it and said to myself, "Yes, it is a great tourist attraction; but Shipshaw is a great attraction, too." By what means or method can we bring Shipshaw to the attention of the tourist public? It would mean much to that part of Canada.

Mr. HOWE: I believe I can say that all the transportation facilities into the Saguenay are booked up fully for the next summer season. I believe it is a mere matter of transportation, to make the Saguenay more readily accessible to tourists.

Mr. GRAYDON: Has the Canadian travel bureau moved from its former quarters to more commodious ones, or is it still in the same place?

Mr. HOWE: It is still in the old supreme court building. I believe those quarters are reasonably satisfactory.

Mr. FRASER: Some weeks ago I asked a question regarding customs regulations. I said I believed that many citizens of the United States felt they would not be able to come to Canada during the coming season because of customs regulations. They have the feeling that those regulations have been changed. I suggest that the publicity bureau should do everything possible to tell United States tourists that the regulations concerning their entry into Canada are exactly the same as they always have been.

Mr. HOWE: We are doing everything we can in that direction, even to the extent of getting out a film on the subject.

Mr. FRASER: I sincerely hope it is not got out by the national film board, and that some commercial company does it. Otherwise it would not be done properly.

Item agreed to.

Special—

638. Canadian Commercial Corporation—To reimburse the Canadian Commercial Corporation for expenses incurred in purchasing materials, supplies and equipment, etc., on behalf of the Department of National Defence under chapter 51, statutes of 1947, and approval of the amount of $80,000 paid from national defence appropriation for this purpose in the year 1946-47, $548,000.

Mr. BOUCHER: Is this total expense incurred by the Canadian Commercial Corporation in purchasing for the Department of National Defence? What are the total estimated expenditures on such purchases, so that we may know to what extent they have been acting this year in purchasing for the Department of National Defence?

Mr. HOWE: The amount of $548,000 shown here is the total expense of operating the Canadian Commercial Corporation for the last twelve months. The reason it appears as a special supplementary is that it had been the intention of the government that each department would pay the corporation for the services performed for that department, as in the case with private firms. The Canadian Commercial Corporation purchases for foreign governments. In that case a fee is charged the government for the work performed by the corporation.

But the policy was reversed, and it was decided that, so far as the Department of National Defence is concerned, instead of charging that department a fee for making purchases for it, the cost of purchasing for that department would be borne by the Department of Trade and Commerce under an estimate as indicated here.

Mr. BOUCHER: Under what authority was the expense incurred?

Mr. HOWE: The Canadian Commercial Corporation was organized to purchase for the government. It was authorized by order in council to purchase for the armed services. It took over that responsibility from the Department of Reconstruction and Supply.

Mr. MACDONNELL (Muskoka-Ontario): As an agent?

Mr. BOUCHER: I understand that it was done as an agent for the Department of National Defence.

Mr. HOWE: Yes.

Mr. BOUCHER: I do not see how it has the authority to incur this expense and to ask the House of Commons to vote this amount. I feel it should have authority other than that of an agent if it is to do that.

Mr. HOWE: The Department of Trade and Commerce can have an agent that works free, if it wishes, so far as I know. That is the situation here. It is just a matter of government policy. It is felt that, as the management of the Canadian Commercial Corpora-

tion is a responsibility of the Minister of Trade and Commerce, the Minister of Trade and Commerce should pay its bills rather than have it charge a fee to other departments of government for which it performs services. The policy may be right or wrong, but that is the policy.

Mr. BOUCHER: There is one difficulty that I see in the whole idea of the Canadian Commercial Corporation. If things are to be done in this way it will be impossible for the members of this house or the country at large to know just what the Canadian Commercial Corporation is costing the Canadian people, to know just how expenditures are allocated. In other words, it will be almost impossible for a member of this house to get any definite information as to the activities, expenditures and operating expenses of the Canadian Commercial Corporation. Certainly, if we charge each department a fee for what the Canadian Commercial Corporation does, certainly if they get certain moneys from the Department of National Defence; if they get moneys from foreign governments, it will be impossible for the members of this house and the country at large to know anything about the financial success, failure or efficiency of this corporation.

Mr. HOWE: I just pointed out that the Canadian Commercial Corporation does not collect fees from other departments of the government for services performed for those departments. The Canadian Commercial Corporation is a crown company and an audited statement will be presented to parliament in the usual form. All the information that my hon. friend desires can be obtained from the report of the corporation.

Mr. TIMMINS: Is this collection of public funds in addition to those appropriated with respect to national defence?

Mr. HOWE: Yes. These costs were formerly charged to the Department of National Defence; they are now being paid direct by the Department of Trade and Commerce and the expenditures of the Department of National Defence will be reduced accordingly.

Mr. MACDONNELL (Muskoka-Ontario): If I understood the minister correctly, what has really happened is that, instead of the Canadian Commercial Corporation acting as agents, as the minister said was originally contemplated, in fact it is now acting as principal; is that correct?

Mr. HOWE: No, it is not correct at all. It acts as agent of the Department of National Defence; it buys what the Department of National Defence instructs it to buy. In other words, it is an agent but instead of adding a fee to each purchase, as is the case when it purchases for a foreign government, it performs that service at no cost to the department.

Mr. BOUCHER: Can the minister give us any reason why the Department of Trade and Commerce should be charged for work actually done for the Department of National Defence? Why should the charge not be made against the department for which the work is done? It seems to me that it would be just good accounting to charge disbursements or expenses to the department for which the service is rendered.

Mr. HOWE: I may say that the view expressed by my hon. friend was my own view; but, after looking into the matter, the treasury board instructed that, since the Minister of Trade and Commerce was responsible for the management of the Canadian Commercial Corporation, it preferred that all expenses of the corporation relating to departments of government should be paid for by the Department of Trade and Commerce. If you ask me why, I cannot tell you; I am simply saying that those are the instructions which were received.

Mr. MACDONNELL (Muskoka-Ontario): I should like to make a suggestion which I will not express at the moment. If I understood correctly what the minister said, the original basis has been altered. Whether that is within the terms of the original legislation, I do not know. I suggest that when the item covering the Canadian Commercial Corporation comes up this question might be brought up again and in the interim the minister might look into the matter.

Item agreed to.

639. Canadian wheat board—To reimburse the Canadian wheat board for expenses incurred from August 1, 1944 to July 31, 1947, in regulating deliveries of grain, allocation of railway cars and administration of regulations relating to maximum prices of grain, $733,249.81.

Mr. CARDIFF: Can the minister tell us exactly what these expenditures are for?

Mr. HOWE: This represents certain expenses incurred by the Canadian wheat board in performing services not related to the selling of wheat but to the rationing of elevator space, to the administration of the grain regulations, to the allocation of railway cars and other services performed on the instructions of the dominion government and for which the dominion government pays the wheat board direct.

Mr. ZAPLITNY: Now that the wheat board act amendment has been passed by both houses, I should like to ask the minister if he is prepared to inform the house and the country within the next few days what the participation payments will be?

Mr. HOWE: Not having a quorum of my colleagues here, I am afraid that I could not get them to confirm anything I might say. I shall endeavour to put out a press statement not later than tomorrow afternoon.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

609. General administration—further amount required, $10,000.

Mr. FRASER: I should like to ask the minister what has been done in connection with the Hamilton office and what was the cause of the whole thing.

Hon. J. J. McCANN (Minister of National Revenue): There was fraudulent action on the part of some employees who were dismissed.

Mr. FRASER: Were there other irregularities in that office? Were there other things in the office?

Mr. McCANN: I do not know what the hon. member is referring to when he says "other things."

Mr. FRASER: Were there not other causes besides fraudulent reports?

Mr. McCANN: There were irregularities and fraudulent practices on behalf of seven employees who have been dismissed.

Item agreed to.

611. Ports, outports and preventive stations, including pay for overtime of officers notwithstanding anything in the Civil Service Act, and temporary buildings and rentals — further amount required, $198,000.

Mr. BOUCHER: Could the minister explain this rather large item?

Mr. McCANN: The $3,000 in other paylist items is to meet the government's contributions to unemployment insurance. The $2,000 in the living allowance item is to provide living allowances to additional examiners at Whitehorse, Yukon Territory, and a new man at Tulsequah, British Columbia. The amount of $25,000 for uniforms is due to the necessity of providing uniform clothing for additional staff at border offices and to meet the increased cost of material and manufacturers' costs.

[Mr. Howe.]

The additional $15,000 in the printing and stationery item is due to insufficient funds being provided in the main estimates to cover increased printing requirements made necessary by additional forms required to implement the exchange conservation program. The amount of $25,000 in travelling expenses is to meet the expenses for increased travelling and the increased cost of meals and hotel accommodation. The amount of $8,000 in telegrams and telephones is to cover the cost of additional installations in Montreal and Toronto and to provide funds to meet increased service rates by several telephone companies.

The amount of $35,000 for cartage is to cover the rising costs in contracting for the transportation of imported goods to the examining warehouse for appraisal and the increase in the number of packages requiring examination. The additional amount of $5,000 required for postage is due to the increased volume of mail being dispatched, on which postage is required and the more general use of air mail services. The $5,000 advance in express and freight is due to increased shipments in office supplies to ports, outports and preventive stations. The amount of $1,200, is to provide funds for a 25 per cent advance in rentals allowed by government with respect to commercial properties; $4,500 to provide for higher costs of material and labour in regard to repairs and upkeep of buildings; $43,300 to meet the purchase cost of necessary properties together with the increased costs of material and labour in connection with the construction of buildings, improvements, et cetera; $1,000 is required to meet cost of equipment renewed or replaced and $25,000 for the purchase of five prefabricated units for the temporary housing of customs officers at the new international terminal at Blackpool, Quebec, on the new boulevard highway between Montreal and New York city.

Mr. COCKERAM: The minister said that the uniforms will cost $25,000 in addition to the $75,000 already spent. How many extra men are being taken on at the border?

Mr. McCANN: All told, because of the new regulations, we have taken on approximately 240 men and women.

Mr. FRASER: What provision has been made to look after Peterborough this year? Last year the taxation division put in a little office for a short time. What is to be done this year? Has the minister any information on that?

Mr. McCANN: No. Is my hon. friend speaking on item 612?

Mr. FRASER: Yes, the taxation division. I know of some people who went into the temporary taxation office in Peterborough last year and had income tax papers checked, and then about two months ago they received word that they owed extra money. I do not know if that was the fault of the staff, the regulations, or what it was. I think Peterborough should have a permanent taxation office, with the proper facilities for checking papers. The office they did have was very poor and was understaffed. It was occupied for only a short time and, being understaffed, the officials there were rushed off their feet. There should be provision made for a year-round office in Peterborough. It is seventy-five miles to the nearest office at Belleville.

Item agreed to.

DEPARTMENT OF TRANSPORT

640. Departmental administration — further amount required to provide for an additional deputy minister for the Department of Transport to be appointed by the governor in council and to be called the deputy minister of transport for air services, to hold office during pleasure, and to have and exercise such powers, duties and functions with respect to the air services branch of the said department as may be specified by the Minister of Transport—amount required for 1947-48, $2,000.

Mr. MOORE: A serious educational problem confronts the village of Churchill in northern Manitoba. It has been brought about because of a property situation in Churchill which is peculiar in our Canadian economy. Ninety-nine per cent of the $3,300,000 of property in Churchill is administered by some department of the federal government. The total amount of property taxable for school purposes is only $38,000, and the revenue obtainable from that small amount of taxable property is not sufficient to operate a school at Churchill. It is true there is a public school there now which looks after the needs of thirty-five students, but in addition there are forty students who cannot get into the school and for whom no educational facilities are provided. The situation has been brought to the attention of the department of education of the Manitoba government, which takes the stand that, since there is no taxable property there, they cannot increase the provincial grant to the school at that point. I have talked with the deputy minister of education of Manitoba and he takes the stand that I am giving to the committee. The people in Churchill are anxious that something be done at the earliest possible moment to provide a suitable school to take care of the educational needs of the pupils at that point, and I submit that they have a very good case for assistance from the federal government. The deputy minister of educa- That is another reason, I submit, why there province the Department of Justice makes an annual grant of $2,550 to the federal district of Stony Mountain for school purposes. I submit therefore that the federal government should recognize the request of the community of Churchill, because most of the property there is federally owned.

The other day a return was brought down, showing the grants made by the federal government for educational purposes, for vocational training, and the grants to the various provinces totalled $225,000 a year. That is another reason, I submit, why there should be federal aid for the public school at Churchill. The community of Churchill is not by any means destitute. The people there are hard working and they are willing and anxious to pay their fair share of educational costs, but because of the peculiar property situation that exists in that community, it is very difficult for them to have a school constructed at that point out of funds raised from local taxation.

There is another point I want to bring out. Five miles out of Churchill there is an army barracks, where quite a number of members of the armed forces live with their wives and families. The federal government immediately recognized the needs of the army and built a school at the barracks to take care of the children. I am not quarreling with that at all. I think the school was necessary, and it was a good thing that the government went ahead and built one, but I say that the people of Churchill are entitled to the same consideration and steps should immediately be taken by some department of the federal government to set aside funds for the construction of a school at Churchill before another term passes. The time for education for young people is limited indeed, and it would be a disgrace if the children living in that area were to lose one more term of school because of inaction either by the federal or the provincial government.

Item agreed to.

Maritime Freight Rates Act—

649. Additional amount in excess of the sum of $3,042,000 already appropriated, to authorize and provide for the payment from time to time during the fiscal year 1947-48 to the Canadian National Railway Company of the difference (estimated by the Canadian National Railway Company and certified by the auditors of the

said company to the Minister of Transport, as and when required by the said minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (upon the same basis as set out in section 9 of the said act with respect to companies therein referred to) on all traffic moved during the calendar year 1947 under the tariffs approved on the eastern lines (as referred to in section 2 of the said act) of the Canadian National Railways—further amount required, $1,099,529.39.

Mr. HAZEN: Is the minister in a position to tell us when the transport commission will deliver judgment in the application of the railways for an increase in rates?

Hon. LIONEL CHEVRIER (Minister of Transport): I am afraid I could not answer that question. It is a matter for the chairman of the board of transport commissioners. The board is a court, and when it is ready to hand down judgment I presume it will issue a press release giving details. I am not in a position to say when that will be, whether it will be soon or in the distant future.

Mr. MACDONNELL (Muskoka-Ontario): Cannot you use any moral suasion?

Mr. CHEVRIER: Would the hon. gentleman like to see the judgment handed down?

Item agreed to.

GOVERNMENT OWNED ENTERPRISES

Deficits—Transport—

660. Additional amount in excess of the sum of $707,000 already appropriated, to provide for the payment during the fiscal year 1947-48 to the Canadian National Railway Company (hereinafter called the national company) upon application approved by the Minister of Transport, made from time to time by the national company to the Minister of Finance, and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1947—further amount required, $224,855.96.

Mr. McLURE: I take objection to the language of this vote. It says, "government owned enterprises". Then it refers to "deficits, transport". These deficits are charged up to the Prince Edward Island ferry service. I brought this matter up in the committee on railways, and they said they would see that the matter was given its proper name. Instead of a deficit it should be a service, because the government owes this service to the province. It should not appear in the public accounts as a deficit. May I give as an example the deficits on the canals in Quebec and Ontario. They run to over $4,000,000. That amount does not appear in the public accounts as a deficit; it appears as a government service to these provinces. Under the terms under which we entered confederation in 1873 this service was guaranteed to us. It now appears as a deficit against our province. It is not a deficit.

Another thing about this vote is that it runs to the year ending March, 1948, and amounts in all to $931,855.96 but no breakdown is given. We have never any details of one cent of the amount that appears in the vote. There must be some bookkeeping service on this, and this committee should know the items that caused this deficit, as they call it, or as a service, as it should be called. When the main estimates come down I hope that we shall have a breakdown of this $931,000, so that we may know what it is, and then we shall be able to find out what the earnings are, and if the government still insist on calling it a deficit we shall know how that deficit comes about. It should not be called a deficit, because it is a government service.

Mr. CHEVRIER: May I say to the hon. gentleman the reason there are no details is that this matter is submitted to the committee on railways and shipping where a full opportunity is given of discussing the details.

With respect to the first part of his statement concerning the objection to the manner in which it is described, may I say this is an accounting matter with the Canadian National Railways, and they have decided to set it up in this way. I drew the hon. member's representations of last year to their attention and they were considered, but the accountants of the railway have come to the conclusion that this is the proper way in which to do it.

Mr. McLURE: With regard to the amount of this account, surely the Minister of Transport is not going to pay this bill unless he has an account of it.

Mr. CHEVRIER: That is right.

Mr. McLURE: Where does the deficit come from?

Mr. CHEVRIER: We do not pay this bill until it is certified by the accountants of the Canadian National Railways. They have certified that this is a further amount required for the fiscal year 1947-48.

Item agreed to.

DEPARTMENT OF TRANSPORT

Air service—radio division—

652. Issue of radio receiving licences—(transport department only)—further amount required, $344,000.

Mr. JACKMAN: I presume the fees which are collected and taken in constitute the gross

amount, and any costs of collecting are deducted from the amount.

Mr. HOWE: Yes, that is right. The change arose out of the change in the act last year. My hon. friend will perhaps recall that the radio committee recommended to the house, and the house approved, a new method by which, instead of the cost of collecting fees being charged back to the revenue of the corporation, the house decided that the corporation should have the gross amount collected, and that the cost of collection would be paid from the consolidated revenue fund.

Mr. JACKMAN: The amount was not set up in the original estimates?

Mr. HOWE: It was too late; it was after the estimates were passed.

Mr. JACKMAN: This is the whole amount?

Mr. HOWE: Yes.

Item agreed to.

GOVERNMENT OWNED ENTERPRISES

Deficits—Transport—

661. Amount required to provide for the payment during the fiscal year 1947-48 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company, to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) arising in the calendar year 1947, but not including amounts charged to proprietor's equity of the national railway system as defined in chapter twenty-two of the statutes of Canada, 1937:

Canadian National Railways, exclusive of eastern lines, $5,280,432.77; eastern lines, $10,604,761.51, $15,885,194.28.

Mr. COLDWELL: Before this item is carried, may I just pass a few remarks on this deficit of the Canadian National Railways. Those of us who were here in the depression years know perfectly well that from year to year we were faced with very large deficits. It has always seemed to me to be unfair to saddle the railway with at least a great deal of this deficit. Those of us who know the history of the Canadian National Railways realize that the railways which now comprise the Canadian National were taken over at a value which was not warranted at the time and that they are now loaded down with a capitalization upon which they cannot possibly meet all the obligations that they have to meet in various ways. I suggest again to the committee, as I did in the years before the war, and as other hon. members have suggested, that we should reconsider the capitalization of the Canadian National Railways and remove from that railway a great deal of the deadweight which it carries and which should never have been carried by the railway. If I may put it in this way, it was an error on the part of parliament and the government of Canada, and until we have removed that tremendous burden from the railway it will never be able to make a comparable showing. May I say that it has a depressing effect on the whole of the staff of the railway? They seem to say, Well, we have such an impossible burden; what can we do? If we want efficiency from the employees of the railway we have to give them a chance to be able to show the people of Canada that they are rendering good service and that the railway is not placing an impossible burden on the people of the country. I plead with the government once again to reconsider this whole matter, and when the time comes, to come forward with a recommendation to relieve the railway of a tremendous burden which it should not be called upon to carry.

Mr. CHEVRIER: I am glad my hon. friend brought that point out, because it is one which is receiving careful consideration. Hon. members will remember that when the Minister of Trade and Commerce was Minister of Transport he did bring in a measure having to do with the recapitalization of the Canadian National Railways. Various forms of recapitalization have been suggested, but the government have not yet reached any decision. I can assure my hon. friend that the matter has been given some attention. There is no unanimity in the house on that point. It is a very debatable point. I see the hon. member for Muskoka-Ontario looking at me very carefully. I am sure he has very strong views on this, too.

Mr. MACDONNELL (Muskoka-Ontario): I will express my own views.

Mr. CHEVRIER: I have heard them expressed to me on previous occasions in the house. All I can say is that the matter is receiving consideration.

Mr. MACDONNELL (Muskoka-Ontario): Since the minister has referred to it, I think I had better express my own view. I agree with the hon. member for Rosetown-Biggar that for an operating staff constantly to carry a deficit is a very depressing thing, but I would ask the minister whether there has not been a great deal of relief given by way of writing off certain indebtedness to the Canadian National Railways. I would also make this point. My feeling at the moment is that at a time of high operating volume the real reason the railway has a deficit is that there has been a huge rise in its costs without a corresponding rise in its rates. That is the $64 question, I know.

Mr. CHEVRIER: My hon. friend is right. There is no doubt that the reason for the increase is higher wages, increased cost of materials and so forth, even though there was an increased volume of traffic.

Mr. MACDONNELL (Muskoka-Ontario): I am merely pointing out that what is happening today is distinctly different from the thirties to which the hon. member for Rosetown-Biggar referred. At that time the deficit was due to a lamentable falling off in business.

Mr. CHEVRIER: Is my hon. friend in favour of recapitalization?

Mr. MACDONNELL (Muskoka-Ontario): The minister will remember that I asked what had been done. My impression is that a lot has been done. I would not wish to express an opinion on recapitalization until I knew more about the rise in costs and something of the important decision which we are to have on freight rates.

Mr. JACKMAN: The item is large and has too much significance in the economy of this country to be passed over so lightly.

I remember at the time of the 1940 election one of the main questions in my riding was the C.N.R. deficit, which has now fallen into insignificance, but nevertheless is important in principle. Would the minister be good enough to tell the committee what the $15,000,000 appropriation covers by way of deficit? I understood that the railway has always earned its operating charges even during the worst years of the depression. The wording of item 661 is, "to be applied by the national company in payment of the deficit (certified by the auditors of the national company) arising in the calendar year, 1947, but not including amounts charged to proprietor's equity of the national railway system as defined in chapter twenty-two of the statutes of Canada, 1937." I assume that the railway has earned all operating charges and has earned—or has it?—interest on bonds held by the public, but has not earned interest on the bonds held by the government.

Mr. CHEVRIER: It is government loans.

Mr. JACKMAN: I do not recollect the exact form of their accounts at the moment. What does the $15,000,000 really go for?

Mr. CHEVRIER: This matter is always discussed at length in the committee on railways and shipping, but the $15,000,000 arises when operating revenues are placed against operating expenses, and then, when the miscellaneous items are taken off there is net income available for payment of interest to the extent of upwards of $27,000,000. Interest on funded debt and government loans more than equals the net income available for the payment of interest. The interest on funded debt is $23,000,000 and interest on government loans $20,000,000, which accounts for the $15,000,000 deficit.

Mr. ZAPLITNY: I notice that the deficit is divided into two parts, one dealing with eastern lines, $10,000,000, and the other dealing with other than eastern lines. Can the minister designate what comprises the eastern lines and what are the other lines?

Mr. CHEVRIER: The eastern lines are those extending from a point at Diamond Junction in the province of Quebec, including all the eastern part of Quebec, and the provinces of Prince Edward Island, Nova Scotia and New Brunswick.

Mr. ZAPLITNY: Is there any substantial difference in the rates charged between the eastern lines and the other lines?

Mr. CHEVRIER: The Maritime Freight Rates Act provides for a 20 per cent reduction in the eastern line territory.

Mr. ZAPLITNY: It seems strange that the deficit in the eastern lines is twice as much as that on the other lines. Would one of the reasons be that the lower freight rate brings less revenue?

Mr. CHEVRIER: That is not the only reason. There are many other reasons. The volume of freight is higher in the other section than in the eastern end.

Mr. ZAPLITNY: But that could be a contributory reason?

Mr. CHEVRIER: Yes.

Mr. JACKMAN: I think it should be said that there was a substantial write-off of C.N.R. capitalization some years ago, in the neighbourhood of $800 million, which offset any surplus and unnecessary capitalization the C.N.R. might have. One thing that the war has proved is that Canada needs a second railway. It is absolutely essential. The Minister of Reconstruction and Supply would agree, I think, that the country needs this railway; it has a useful function to perform, and will be needed not only in wartime but in ordinary times. It is a good, well-managed, serviceable railway, by no means a white elephant, and should be able to earn charges under any proper system of rate making. What is the status of the application for higher freight rates at the present time? Does the minister not think that the method of being granted

higher freight rates is rather antiquated if it takes so long? It is over a year since this city was inundated by high-priced lawyers for provinces, railways, the government and others. We should have that streamlined a bit. It should be pointed out also, in answer to the hon. member for Rosetown-Biggar, as my colleague has said, that there has been no increase in rates since the 1930's.

Mr. COLDWELL: Are you in favour of an increase in rates?

Mr. JACKMAN: I do not know of anything else in the economy that has not gone up in view of the fact that wages and supplies have increased substantially. I am not in favour of an increase in rates if the railways can maintain adequate service for the people, but I should think the managers of the railways would have to be nothing less than wizards to maintain adequate service with 1948 wages and material costs and 1930 freight rates.

An hon. MEMBER: What about calling in six per cent bonds for a change?

Mr. QUELCH: What percentage of the capital stock is held in Canada?

Mr. CHEVRIER: The capital stock of the Canadian National is all held in Canada.

Mr. QUELCH: None held in Britain?

Mr. CHEVRIER: None.

Mr. COLDWELL: I do not want to enter into a discussion of freight rates, but what we have to bear in mind is that this country is largely bound together by bands of steel. Our railways are a vital part of confederation and, under ordinary business freight rate conditions, freight rates from many parts of Canada to the coast are prohibitive. It is part of the obligation of maintaining a united Canada to subsidize, if you will, the carrying of freight over long distances in this country. When you think of the distance between Ontario and western Canada, and across the mountains to the coast, and again from Quebec right through to Prince Edward Island, literally thousands of miles of non-revenue producing railway, you realize that a freight rate structure comparable with that of the United States with which we compete is an impossibility in this country. And if we boosted freight rates to do all that the hon. member for Rosedale would ask us to do, I think it would kill the competitive spirit of Canadians in the remote parts of Canada in the marketing of their produce across the seas.

Item agreed to.

Deficits—Transport—

662. To hereby authorize and provide for payment during the fiscal year 1947-48 to Trans-Canada Air Lines to be applied by Trans-Canada Air Lines in payment of the deficit (certified by the auditor of Trans-Canada Air Lines to the Minister of Reconstruction and Supply as and when required by the said minister) resulting from the operations of Trans-Canada Air Lines during the calendar year 1947, less the surplus accruing from the operations of the Trans-Canada Air Lines (Atlantic) Limited, during 1947, and less the accumulated surplus of the Trans-Canada Air Lines as at December 31, 1946:

Trans-Canada Air Lines deficit, calendar year 1947, $1,761,042.84.

Less: Surplus Trans-Canada Air Lines (Atlantic) Limited, year 1947, $136,303.31.

Less: Accumulated surplus Trans-Canada Air Lines as at December 31, 1946, $255,061,23. $1,369,678.30.

Mr. PROBE: This item is to provide for additional sums for Trans-Canada Air Lines and it is under the Department of Transport. I thought the Minister of Reconstruction and Supply was in charge of Trans-Canada Air Lines. Has that been changed? Is it no longer a condition that the Department of Transport is in sole charge of Trans-Canada Air Lines?

Mr. CHEVRIER: The position has not changed. This item is still a division of the Department of Transport which has, by virtue of the Transfer of Duties Act, been under the jurisdiction of the Minister of Reconstruction.

Mr. PROBE: I notice there is indicated here, in the accumulated deficit we are asked to provide for under 662, a deficit on account of Trans-Canada Air Lines itself of $1,761,000 odd for the calendar year 1947, and at the same time, while the Canadian end of Trans-Canada Air Lines has a large deficit, Trans-Canada Air Lines (Atlantic), which I presume is our overseas service of T.C.A., has a reasonable surplus of $136,000. The net deficit, based upon the operations of the Canadian portion of T.C.A. combined with the oceanic or overseas portion, amounts to something like $1,624,000 for 1947. At the end of the previous year there was an accumulated surplus, apparently on domestic operations. of some $255,000, which is being applied to the deficit of $1,624,000, leaving the house to provide some $1,369,000. Would the Minister of Transport explain why, as between 1946 and 1947, we suddenly go from an operational surplus of about a quarter of a million dollars to a deficit, on the domestic operations of this line, of roughly a million and three-quarters? Has traffic fallen off, or what are the changed conditions that brought about this deficit in the domestic operations of Trans-Canada Air Lines?

Mr. HOWE: My hon. friend is quite mistaken when he says we suddenly plunged from a surplus last year to a loss this year. We had a substantial loss last year. This is a very big subject, and I do not know that we ought to examine the accounts of Trans-Canada Air Lines just now, when we shall be doing it all over again in committee within the next two or three weeks.

Mr. PROBE: I am quite agreeable to a short statement from the minister.

Mr. HOWE: The history of Trans-Canada Air Lines shows surpluses as follows:

1940	$539,000
1941	302,000
1942	494,000
1943	147,000
1944	7,000
1945	32,000

In 1946 there was a loss of $1,629,000, which was met out of the accumulated surplus of previous years, leaving a surplus of $255,000 at the end of 1946. This year there was a loss of about $1,700,000 on the domestic air lines and a small profit on the transatlantic operations; and the net loss was sufficient to take up the balance of the earned surplus of previous years and require a deficit vote, the first this parliament has ever been called upon to provide. The reason is the increased costs associated with the change-over of equipment, together with the unusual amount of pilot training. These have created costs which the line has not been able to meet from earnings.

I might add that, coupled with those circumstances, was a very bad spring in 1947. If my hon. friend is familiar with air line operations he will know that every air line in the world had a heavy deficit for the first half of 1947. A series of crashes, bad weather and other circumstances brought about that situation. It is hoped that the tailspin is pretty well over, and this year we hope to come out with a decent operating statement. A number of circumstances added together have brought about the deficits of the last two years. I hope my hon. friend is not going to pursue the matter, because we could carry this on until midnight and still I would not have told him the whole story.

Mr. PROBE: No. I wish T.C.A. exceedingly well, but of course I am puzzled to find a domestic deficit while there is a surplus on our overseas operations. Surely the change-over of equipment took place in both connections; at least there was the acquisition of these North Star planes for the overseas service, which I presume would amount to the same thing. Pursuing that just a bit further, however, I should like to know if there is a difference in the rates per passenger mile as between T.C.A. domestic and overseas operations. Is there a different rate of mail subsidy? Is there a different rate charged for express service as between domestic and overseas operations, which in the one case might make it appear that there is an unfavourable operating ratio and in the other perhaps create a surplus? Would the Minister of Trade and Commerce comment briefly on that point? I do not want a long explanation.

Mr. HOWE: Yes, there is a decided difference. The rate on domestic lines is about six cents a mile, while the rate overseas is about twelve cents a mile, or perhaps more. One reason for that is the very large tonnage of gasoline that has to be carried in order to take the plane over three thousand miles; but that is common to all air lines. The rates charged by Trans-Canada Air Lines are comparable with those on land lines to the south, and the rates charged across the Atlantic are comparable with those of competing services.

Mr. PROBE: When the minister says six cents and twelve cents, what is he talking about? Are those passenger rates, mail rates or express rates?

Mr. HOWE: Passenger fares.

Mr. PROBE: What about the mail rates?

Mr. HOWE: They are in about the same proportion.

Mr. FRASER: Is the cost of planes included in this deficit?

Mr. HOWE: The cost of purchasing planes is a capital expenditure. The cost of amortizing the planes is an operating cost.

Mr. MACDONNELL (Muskoka-Ontario): I have one personal complaint to make. Last summer the minister undertook that he would put the seats in these planes further apart, and he has not done so.

Mr. HOWE: If my hon. friend will try our transatlantic planes, which will shortly be in domestic service, he will see the difference.

Item agreed to.

DEPARTMENT OF TRANSPORT

National harbours board—

663. To provide for payment to the national harbours board of the amount hereinafter set forth, to be applied in payment of the deficit (exclusive of interest on dominion government advances and depreciation on capital structure) arising in the calendar year 1947 in the operation of the Quebec harbour, $70,481.14.

Mr. McKAY: Would the minister tell us whether or not there are any other harbours

showing a deficit and why Quebec harbour, which is under the harbours board is the only one in this list?

Mr. CHEVRIER: The deficit in Quebec harbour was not anticipated when the main estimates were in preparation. I have a lengthy statement here which I can place on *Hansard* if the gentleman wishes.

Mr. McKAY: That is not necessary.

Mr. CHEVRIER: The deficit is voted separately because, when the main estimates were prepared, it was not anticipated that there would be an over-all deficit in the Quebec harbour, but it has turned out that there is a deficit of $70,481.

Mr. McKAY: It is not included in the other list?

Mr. CHEVRIER: No.

Mr. IRVINE: There are many questions I should like to ask on these transport items. I presume there will be a more opportune time later to do so. Am I right?

Mr. CHEVRIER: Unquestionably there will be an opportunity on the main estimates.

Item agreed to.

DEPARTMENT OF VETERANS AFFAIRS

653. War veterans allowance board—administration—further amount required, $5,500.

Mr. LENNARD: What is this additional amount for?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): This item covers an underestimate in connection with the expense of investigating cases in the field.

Item agreed to.

656. Widows' allowances—world war I—further amount required, $100,000.

Mr. LENNARD: Are these items to provide moneys for the additional rates of pension that may be authorized shortly?

Mr. GREGG: If the hon. member will turn to item 669 he will notice that the amount there is for world war II, and that in item 654 the amount is for world war I. That makes $4,000,000, altogether. It was estimated that the bill now before the parliamentary committee would reflect an increase of $12,000,000. This amount is for the six months since October 1; and the other $2,000,000 of the $6,000,000 is from the main estimates of last year.

Mr. GRAYDON: I should like to ask one question with respect to item 655, which has to do with war veterans allowances. Representations are made to me from time to time —and I fancy they are made to other hon. members—seeking an interpretation respecting the earning power of veterans receiving war veterans allowances, so that they will not be tied down quite so closely in respect of the amount of money they can earn outside their allowances.

Veterans of world war I, particularly, have a strong claim on parliament because of their age, and I think there should not be too much by way of restrictions placed upon the amount they are permitted to earn outside their veterans allowances. I am sure the minister must know of a great many cases of that kind. Now that so many years have gone by, I suggest that we should not be too close in our limitations as they affect these older veterans who, in most instances, have had a pretty difficult time. I hope the leniency the government may have by way of discretion will be afforded these men in a way which would meet the wishes of many veterans throughout the country.

Mr. GREGG: If, as and when the bill in resolution stage on the order paper dealing with veterans allowances should come into force, provision is made therein in connection with war veterans allowances in a manner similar to that having to do with pensions. I cannot comment upon that bill until it is before the house, but I can assure hon. members that the point just made has been borne in mind.

Mr. MacINNIS: Many representations are made to me in connection with war veterans allowances. I appreciate that the matter is now or shortly will be before the veterans affairs committee and before the house. We can deal with these matters at that time. I would suggest to the minister, however, that any veteran of world war I who is in receipt or who may be in receipt of war veterans allowance should be paid it without any means test whatsoever. The mere fact that he is eligible for war veterans allowance is in itself sufficient proof that he has very little income. Not only should there not be any means test, but for his own welfare he should be encouraged to add as much as possible to his income. It would be good for him, and it will be good for the country.

Mr. LENNARD: When the war veterans allowance legislation does come before the house I would strongly urge that consideration be given to imperial veterans who have resided in this country continuously for twenty years. Their case has a great deal of merit, and I feel that they should be given every consideration

before the committee on veterans affairs. I know they have made some advances by way of presenting a brief to the chairman—perhaps not to the minister. I should hope that at the proper time their case would be given full consideration.

Mr. KNOWLES: May I add one sentence? I hope consideration is also being given to including service in England in world war I as service in a theatre of war.

Mr. BLACKMORE: Before this item passes, may I say that up to the present time I believe altogether too much attention has been given to the monetary aspect of our treatment of our returned soldiers. I believe the time has come when the country, the government and the House of Commons as a whole should look upon veterans as assets of Canada, and look upon their case in terms of giving them a living. Up to the present time the whole attitude appears to have been that of giving them an existence. The more meagre and stingy that existence, the better we were satisfied.

This principle is entirely wrong. It must be borne in mind that each of the boys who returned from overseas is a possible father of a Canadian family. We are doing a great deal to increase the population of this country. I can think of no finer blood to go into the future of Canada than the blood of those who went to fight for this country.

I want to see each and every one of those men placed in a position in which, in comfort, he could have and support a family in Canada. If we have that attitude we shall do away with many of the contemptible and disgraceful rules which restrict and hamper and discourage our boys and their wives at every turn. If the general purport of my remarks is taken and applied throughout the whole range of the treatment of veterans in this country, before long we shall find our veterans happy.

At the beginning of the war we used to say that we wanted to ensure to Canadians that no one who went into any of the services would be any worse off because of his going in, and no one who did not go into the services would be any better off because he did not go.

Many hon. members who were in the house in those days will recall distinctly that such was the purport of the remarks of responsible ministers in the house. We have now gone a long way from the path indicated by that general attitude. I wager that those poor chaps who sat on the floor of the house the other day are far worse off than they would have been if they had not gone. And the worst of it is that, in accordance with the rules being laid down by the government, I see no means whereby those boys can ever have made up to them the losses they sustained because they went into the services.

Item agreed to.

Payments to or for veterans and dependents—

659. To authorize payment under the Veterans Insurance Act to Joan Snow, widow of the late Frank Rennie Snow, of the benefits to which she would have been entitled under that act had his application for insurance thereunder been formally approved, by the superintendent of veterans insurance, before his death, $1.

Mr. LENNARD: Would the minister explain this vote of $1?

Mr. GREGG: This is to correct a technicality in connection with an application in Winnipeg concerning a veteran's applicant for war veterans insurance. The premium had been paid, but the application had not been finally signed as approved. Meantime the man died. I am told by my legal advisers that this is a means of making it possible to deal with that insurance in the ordinary way under the insurance act.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Administration service—

563. Publicity and extension division—further amount required, $825.

Mr. LENNARD: As an hon. member stated this afternoon, some of these necessary bulletins are in short supply and I am wondering if this amount is sufficient. Should not more be voted to permit the reprinting of some of these bulletins?

Mr. ROBERT McCUBBIN (Parliamentary Assistant to the Minister of Agriculture): This is only in connection with the royal winter fair.

Item agreed to.

Production service—

564. Health of animals—compensation for animals slaughtered—further amount required, $200,000.

Mr. GRAYDON: I should like to have the privilege of addressing a question for the first time to the parliamentary assistant to the Minister of Agriculture. I shall not be very long because I know that the pressure of business calls for brevity. There exists in the health of animals branch a situation which is reaching a dangerous and critical stage for many breeders of cattle, particularly for those who export the kind of cattle that are permitted to leave this country. I am told that the veterinary service in the health of ani-

mals branch is undermanned at the present time to the extent of nearly 100 qualified veterinarians. There is a gradual decrease in the number through superannuation and for other reasons, and very few are being taken on to replace them.

This situation has become particularly critical for the T.B. tested areas, of which the county of Peel is one. In order to give hon. members some idea of the extent of the export business, this one county exported about $1,500,000 worth of cattle in 1947. Our T.B. tested time expires in June of this year. We export to South America and other countries. I do not know when I have had as many representations from agricultural districts as I have had on this particular point. There are countries which normally want to find reasons for not allowing our cattle to come in and they may find in this particular situation a reason for keeping them out. When the time expires in June in that particular area, then, of course, the danger signal is out.

I should like to ask the parliamentary assistant to convey to his minister, to his deputy and to those in charge of this branch the concern which most of us in these areas have and ask him to see if something cannot be done to provide the veterinary staff which is so necessary to keep these areas T.B. tested.

The Ontario veterinary college under Doctor MacNabb is doing a magnificent job, but I understand that very few of the graduates this year will enter government service in the federal field. I am told also that we will be lucky if we do not lose at least 60 per cent of the graduates to the United States and other places. The situation is so urgent that I do not make any apology for bringing it to the attention of the committee at this time. I have not exaggerated when I say that the situation is critical and dangerous, and it calls for the immediate attention of the government by way of remedy and rectification.

Mr. BRYCE: I quite agree with what the hon. member for Peel has said, but I am going to refrain from dealing with that matter at this time. I should like to know if the additional $200,000 is to cover animals slaughtered out of T.B. free areas or animals slaughtered to go into the domestic beef trade.

Mr. McCUBBIN: I will answer the last question first. This is for animals in T.B. tested areas. I want to thank the hon. member for Peel for his kindly words and tell him that every effort will be made by the department to see that additional veterinarians are available. We will try to make things so attractive in Canada that they will stay here and do the work which is so necessary throughout the length and breadth of the country, particularly in western Ontario.

Mr. CARDIFF: The county of Huron was voted a restricted area before the war, but during the war that type of work was set aside. We are now waiting our turn and I believe we are either third or fourth on the list. We have heard nothing as yet and I should like to know if there has been any improvement in the number of veterinarians in the department?

Mr. McCUBBIN: There is some improvement, but not much. There are a good many young men in the Ontario veterinary college who will graduate before long and I hope and trust that a lot of them will stay in Canada and help those counties which wish to be T.B. tested.

Mr. BOUCHER: What is the department doing to induce these young men to stay in Canada?

Mr. McCUBBIN: Canada is still the best country in the world.

Item agreed to.

Production service—

567. Grants to fairs and exhibitions, as detailed in the estimates—further amount required, $4,481.

Mr. McLURE: What is this amount for?

Mr. McCUBBIN: Twenty-four hundred and eighty-one dollars is for the Regina winter fair which found that they needed more than they had asked for. The other $2,000 is divided into four amounts of $500 among Amherst, Sherbrooke, the central Canadian exhibition in Ottawa and the Vancouver exhibition.

Mr. HAZEN: How is it that the Regina fair gets so much more than the other fairs?

Mr. McCUBBIN: It is the classification, of course.

Mr. HAZEN: Amherst, Nova Scotia, gets only $500, while Regina gets $2,481.

Mr. McCUBBIN: Amherst got much more than that. This is $500 extra.

Item agreed to.

Marketing service—

568. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $16,567.72.

Mr. LENNARD: Do I understand that this amount of $16,567.72 is detailed in the main estimates?

Mr. McCUBBIN: Yes.

Mr. LENNARD: And no grants will be made for cold storage plants of which the details are not in the main estimates?

Mr. McCUBBIN: I think that is right. This amount is for three cold storage plants, all in British Columbia.

Item agreed to.

Special—

570. Prairie Farm Assistance Act administration—further amount required, $250,000.

Mr. BRACKEN: Where is this money spent? What province receives the biggest share of this $250,000?

Mr. McCUBBIN: I am not in a position to say which. There was a crop deterioration in midsummer that was not looked for when the main estimates were brought down, and sufficient money was not provided in the main estimates. This additional amount had to be spent.

Mr. BRACKEN: Does the parliamentary assistant think that any of this is to be spent in Saskatchewan?

Mr. McCUBBIN: I am not in a position to say.

Mr. GRAYDON: It would be a fair guess.

Mr. BRACKEN: I do not think we should pass this item until we hear where the money is to be spent.

Mr. McCUBBIN: It is to be spent in the three prairie provinces, wherever it is needed.

Mr. BRACKEN: I think it will be needed in Saskatchewan this summer.

Mr. MacNICOL: I see an item of $122,000 for travelling expenses under Prairie Farm Assistance Act administration. That seems an outrageous amount of money to spend on travelling around Saskatchewan. There might be some travelling done in Manitoba and a little in British Columbia, but how in the world can any group of men spend $122,000 in travelling expenses? This is an extra amount too.

Mr. McCUBBIN: I admit that the amount is large, but there were a great many applications, and the investigation of each and every one of them involves a lot of travelling.

Mr. MacNICOL: I guess that is as good an answer as any.

Mr. McKAY: What is the total estimated for administration of the act up until March 31?

Mr. McCUBBIN: For administration, $333,000.

Mr. CHARLTON: There is an item of $500,000 in the main estimates for 1948-49 for Prairie Farm Assistance Act administration. What was the 1946 expenditure?

[Mr. Lennard.]

Mr. McCUBBIN: I have not that information before me, but I should be glad to get it for the hon. member.

Mr. COCKERAM: Does the parliamentary assistant not think that an increase of 66⅔ per cent over the estimate presented last year is out of line with the estimates as a whole?

Mr. McCUBBIN: The conditions required it. A great many districts in the west had a poor crop and a great deal of investigational work had to be done.

Mr. COCKERAM: It has nothing to do with the election that is coming off in Saskatchewan, has it?

Mr. McCUBBIN: Not a thing.

Item agreed to.

Special—

571. To reclaim and to prevent the flooding of valuable agricultural lands in the valley of the Lillooet river, near Pemberton, B.C.—further amount required, $50,000.

Mr. WHITE (Middlesex East): A year ago when this item came up I mentioned this expenditure in British Columbia. Considerable damage had been done by flooding in other parts of Canada at that time, but no help was forthcoming from the federal treasury. This year, in western Ontario particularly, the flood damage has been greater than usual, and I noticed by yesterday's *Free Press* that the provincial government more or less says that this is a problem for the municipalities. Damage from flooding is becoming so serious that it is more than a municipal problem, and I think this expenditure in British Columbia should be discontinued or the policy be extended right across this country. How long is this assistance to be continued for British Columbia?

Mr. McCUBBIN: That is a very fair question. The day may be coming when consideration will have to be given to damage by floods not only in British Columbia but throughout the length and breadth of Canada.

Item agreed to.

Special—

572. To authorize and provide for payment of subsidies on oats and barley used as feed for livestock under such regulations as may be approved by the governor in council—further amount required, $6,500,000.

Mr. CHARLTON: Some explanation should be given of this $6,000,000 item.

Mr. McCUBBIN: The Minister of Finance explained it last night in reply to a question by the leader of the opposition. The main estimates provided up to July 31 only, and

from August 1 to October 23 an additional amount was required for subsidies.

Mr. COCKERAM: Is it all cleaned up now?

Mr. McCUBBIN: I understand that it is.

Item agreed to.

Demobilization and reconversion—Agricultural supplies board—

664. Feeds administrator, including freight assistance on western feed grains—further amount required, $4,050,000.

Mr. COCKERAM: May we have an explanation of this $4,000,000 item?

Mr. McCUBBIN: This is freight assistance on western grain moved to eastern Canada. When the main estimates were brought down we did not realize that there would be such a poor crop in eastern Canada, and more grain was brought down than we thought would be brought down. Therefore an additional amount had to be put in the supplementary estimates for the paying of the freight.

Mr. COCKERAM: Why is this under demobilization and reconversion? It is not a demobilization and reconversion expense at all.

Mr. McCUBBIN: All these subsidies and freight assistance items are temporary votes and were put in the reconversion vote.

Item agreed to.

DEPARTMENT OF EXTERNAL AFFAIRS

The CHAIRMAN: Order. We are not on a particular item. We are reverting to the Department of External Affairs in order that certain answers may be given to questions asked last night.

Mr. W. E. HARRIS (Parliamentary Assistant to the Secretary of State for External Affairs): Yesterday the leader of the opposition asked a few questions of the Secretary of State for External Affairs and I should like to give the answers now. I shall take only a few moments of the committee's time. The total contributions to international organizations which have been paid or will be paid for the fiscal year 1947-48 amount to $11,919,541.49. This total includes a contribution of $5,467,921.12 to the international refugee organization and a payment of $5,000,000 to the international children's emergency fund which was made out of the vote for post-UNRRA relief. I have had prepared a statement showing the various organizations and the amounts included in the main estimates and the supplementary estimates, the amounts already paid and to be paid, and I should like permission to put it on *Hansard*. I have already given a copy to the leader of the opposition.

Some hon. MEMBERS: Agreed.

Mr. HARRIS (Grey-Bruce): The table follows:

—	Main Estimates 1947-48	Supplementary Estimates June 1947	Supplementary estimates March 1948	Amount paid	Amount to be paid	Total payments in fiscal year
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
United Nations	895,000 00	.....	17,800 00	882,792 00	17,718 46	900,510 46
Inter. Civil Aviation Organ.	125,000 00	.....	9,021 00	125,000 00	9,021 00	134,021 00
Food and Agr. Organ	96,000 00	.....	.....	95,475 00	.....	95,475 00
United Nations Educ., Scientific and Cultural Organ	.....	57,600 00	.....	57,526 20	.....	57,526 20
International Labour Organ.	.....	.....	176,500 00	.....	176,434 50	176,434 50
International Refugee Organ.	.....	5,468,000 00	.....	2,733,960 56	2,733,960 56	5,467,921 12
Inter. Children's Emergency Fund	.....	5,000,000 00*	.....	5,000,000 00	.....	5,000,000 00
Totals for U.N. and Subsidiary Bodies	1,116,000 00	10,525,600 00	203,321 00	8,894,753 76	2,937,134 52	11,831,888 28
International Red Cross	20,000 00	.....	.....	20,000 00	.....	20,000 00
Imp. Economic Comm.	14,500 00	.....	.....	14,220 80	.....	14,220 80
Imp. Shipping Comm.	1,300 00	.....	.....	1,292 80	.....	1,292 80
Inter. Wheat Council	2,600 00					
Commonwealth Communications Council	.....	8,100 00	.....	4,040 00	.....	4,040 00
Comite Inter. Tech. d'E. Jur. Aeriens	.....	325 00	.....	303 97	.....	303 97
Intergovern. Comm. on Refugees	.....	2,200 00	.....	2,181 60	.....	2,181 60
Inter Allied Reparations Agency	.....	.....	37,750 00	.....	37,496 27	37,496 27
Int. Amer. Committee on Social Security	.....	.....	4,500 00	.....	4,433 83	4,433 83
Int. Commission on Air Navigation	.....	.....	875 00	.....	872 64	872 64
U.N. War Crimes Comm.	.....	2,850 00	.....	.....	2,811 30	2,811 30
Sub-totals	38,400 00	13,475 00	43,125 00	42,039 17	45,614 04	87,653 21
Grand Totals	1,154,400 00	10,539,075 00	246,446 00	8,936,792 93	2,982,748 56	11,919,541 49

* Paid out of Vote of $20,000,000 for Post U.N.N.R.A. Relief.

The hon. member for York South asked a question with respect to the international labour organization. The government pays the travelling and other expenses of the government, employer and employee delegates to the general conference of the international labour organization held once a year and the government representatives to the meetings of the governing body which are held three and sometimes four times a year, as well as the government representative to regional conferences or committees. The I.L.O. pays the expenses of employer and employee delegates to committee meetings. Expenses since April 1, 1947 to March 24 of this year have amounted to $30,320.90. This amount is paid by the Department of Labour.

The hon. member for Muskoka-Ontario asked what our contribution to the international labour organization had been in the fiscal year 1946-47. The contribution was $169,904.34.

Mr. COCKERAM: Is that $30,320.90 which the Department of Labour paid in addition to the $176,520?

Mr. HARRIS (Grey-Bruce): Yes.

Mr. COCKERAM: How many people attended the last conference last year?

Mr. HARRIS (Grey-Bruce): I am unable to tell the hon. member that. I can give him this information. So far this fiscal year one general conference has been held in Geneva, three meetings of the governing bodies and four industrial committee meetings.

Mr. CHARLTON: The parliamentary assistant has not answered the question I asked last night regarding the international federation of agricultural producers.

Mr. HARRIS (Grey-Bruce): We have searched our records and we cannot find an organization by the name the hon. member used. If he will give us better information we shall hunt for it.

Mr. HAZEN: Last night I asked how many paid employees were in the international labour organization. Has the hon. member these figures?

Mr. HARRIS (Grey-Bruce): My information is that there are 486, but that is the war establishment. All the appointments may not be filled.

DEPARTMENT OF AGRICULTURE

Demobilization and reconversion—Agricultural supplies board—

664. Feeds administrator, including freight assistance on western feed grains—further amount required, $4,050,000.

[Mr. Harris (Grey-Bruce).]

Mr. BRACKEN: I should like to revert to this item for a moment. It has to do with freight assistance on western feed grains. The details given on page 19 of the supplementary estimates read as follows:

Freight assistance on western feed grains, $2,050,000.
Subsidy on wheat used as feed for livestock, $2,000,000.

The items we are now passing are for the present fiscal year which will end in a few days. I would like to ask a question with respect to the subsidy on wheat used as feed for livestock. Is that subsidy being continued? With respect to the other item, that policy is in effect now and the minister may not wish to say what the policy is to be in the long run. Provision has been made to continue it in effect for how long?

Mr. ABBOTT: I am afraid I am not in a position to answer that. Perhaps the parliamentary assistant to the minister can do so. This vote is to cover the administration of the feed grain assistance policy to March 31, 1948, and of the $4,050,000, which is provided here, $2,050,000 is to cover the freight assistance on western feed grains and $2,000,000, the subsidy on wheat used as feed for livestock. I am afraid I cannot answer offhand the question as to whether the policy is to be continued or not.

Mr. COCKERAM: That is in addition to the $18,000,000 already provided?

Mr. ABBOTT: When the amount of $18,000,000 for freight assistance and then $2,000,000 for subsidy payments were submitted in the main estimates it was understood that the policy under which these expenditures were made would expire on July 1, 1947; but, as I have said, the feed grain assistance policy was extended to March 31, 1948.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

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

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

Mr. ABBOTT 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, 1948, the following sum be granted out of the consolidated revenue fund of Canada, namely:

The sum of $79,809,337.98 being the amount of each of the items set forth in the further supplementary estimates for the fiscal year ending March 31, 1948, as set forth in the resolution concurred in this day in the committee of supply.

Resolution reported, read the second time and concurred in. Mr. Abbott thereupon moved for leave to introduce Bill No. 184, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

Motion agreed to, bill read the first and second times, considered in committee, reported and read the third time.

Mr. SPEAKER: Mr. Abbott moves that the bill be now passed and that the title be as on the order paper.

Mr. BRACKEN: Is it not contrary to the rules to pass more than one stage at one sitting?

Mr. ABBOTT: By unanimous consent, of course. I am assuming that was given.

Mr. SPEAKER: The present motion is not debatable.

Motion agreed to.

FOREIGN EXCHANGE CONSERVATION

PROHIBITION OF CERTAIN IMPORTS, AND PROVISION FOR IMPORT QUOTAS AND PERMITS

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the second reading of and concurrence in amendments made by the senate to Bill No. 3, respecting emergency measures for the conservation of Canadian foreign exchange resources.

He said: The amendments are simple. There were two articles, biscuits not sweetened, and biscuits sweetened, which were removed from the prohibited list and put on the quota list, and biscuits sweetened or unsweetened, valued at less than twenty cents per pound, were put in the second schedule.

Mr. COLDWELL: And match sticks?

Mr. ABBOTT: And vegetables fresh, in the natural state, or cut or shredded, were added to the first schedule to prohibit air-transported vegetables from being flown in from the United States.

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

HOUSE OF COMMONS

ADJOURNMENT FOR EASTER RECESS

Right Hon. W. L. MACKENZIE KING (Prime Minister): If the house, Mr. Speaker, will revert to "government notices of motions", I should like to move in amended form the motion that appears in my name, that when this house adjourns on Wednesday, March 24, instant, it stand adjourned until Tuesday, the 30th instant. That motion is to be amended to read "Monday, April 5 next" instead of "Tuesday, the 30th instant". Perhaps the Minister of Finance would move that amendment.

Mr. ABBOTT: I so move.

Mr. SPEAKER: Mr. Mackenzie King moves that when this house adjourns on Wednesday, March 24 instant, it stand adjourned until Tuesday the 30th instant, to which Mr. Abbott moves in amendment that the words "Tuesday the 30th instant" be deleted and the words "Monday, April 5 next" be substituted therefor. The question is on the amendment. Shall the amendment carry?

Amendment agreed to.

Motion as amended agreed to.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): That concludes the business. No doubt hon. members will wish to know the proposed order of business immediately after the Easter adjournment. In considering the matter, the government thought it would be advisable to bring forward as soon as possible measures pertaining to the appointment of committees or measures likely to be referred to a special or standing committee. There is a resolution on the order paper in regard to the appointment of a joint committee of both houses of parliament to consider the question of human rights and fundamental freedoms. I assume it would be the wish of hon. members to have that committee appointed forthwith. There is the resolution with respect to the introduction of a bill regarding the Industrial Disputes Investigation Act. It appears as Item No. 9 on today's order paper. That bill of the Minister of Labour is to be referred to a committee. It is therefore advisable it should be introduced at a very early stage after recess. Item No. 20 on today's order paper is a resolution relating to an amendment to the War Veterans Allowance Act to extend the provisions of that act to a neglected child or children, et cetera. The bill founded on that resolution will, I assume, go to the committee on veterans affairs. There is also a resolution in the name of the Secretary of State for the introduction of the measure to amend the Dominion Elections Act to make provision *inter alia* for an increase in salary of the chief electoral officer. That bill, I assume, will also be referred to a committee.

There is the measure respecting gold, No. 7 on the order paper today:

Resuming the adjourned debate on the motion of the Minister of Finance for the second reading of Bill No. 7, respecting emergency payments to assist in meeting the increased cost of production of gold.

It was understood, I think, that this measure would be taken up immediately after the measures we have dealt with today. It might be regarded as the first measure to be taken up after the Easter recess. The others I have mentioned might be brought forward in the order most convenient to hon. members.

What I have said will serve as an indication of the measures that may occupy the first few days of the session after the Easter recess. It is understood that when discussion begins on the estimates, the first to be considered will be those of the Department of External Affairs.

Mr. BRACKEN: Would the Prime Minister call the committee on printing as soon as we resume on April 5? I understand that committee wants to meet in order to provide for the printing of the evidence of the Hong Kong inquiry.

Mr. MACKENZIE KING: A day or two after I proposed the motion, the chairman of that committee informed me that he was arranging to have the committee meet at once. He found, however, it would be more convenient to hon. members on the committee if the committee met after the Easter recess. I understand that has been arranged.

Mr. MacNICOL: Since apparently we have reached the end of today's proceedings, in the absence of the Minister of Mines and Resources (Mr. Glen) I should like to draw the attention of the Prime Minister to the fact that on April 5 the Essex county tourist association is inaugurating Canada's first national wildlife week, which, as the right hon. gentleman knows, was instituted to commemorate the great work done by the late Jack Miner. They are holding a dinner in Windsor that day and, as the Prime Minister knows, they were very anxious to have him address that meeting. However, since he had made other arrangements and was unable to accept the invitation—

Mr. FERGUSON: Oh, go on; sit down.

Mr. MacNICOL: Thanks very much. As the Prime Minister knows, the Minister of National Health and Welfare will be the speaker on that occasion. Since this will be the first time we have had a national wildlife week in Canada, I thought it would be only fitting for the government to make some announcement that this is going to take place, and that the dinner is being held in Windsor to inaugurate that week.

Mr. MACKENZIE KING: It will be a pleasure to have that done. I shall see that something along the lines my hon. friend has mentioned is announced. I am only sorry, as I know the minister of health also is, that my hon. friend himself is not to be the chief speaker at the dinner. He should be, for he was the one who introduced the measure in this house.

Now, Mr. Speaker I suggest that the sitting be suspended until word comes from the other house that the deputy of His Excellency is ready to receive us.

Mr. KNOWLES: While we are on the business of the house, I should like to address a question to the Prime Minister. He will recall that some days ago I brought up the matter of the motion of December 8, which still governs the business of the house. I need not go into all the points we raised at that time; I am sure the Prime Minister will remember them quite well. He then indicated that when this point had been reached, that is the Easter recess, and we had dealt with certain measures which were indicated as being of an emergency character, the government would give consideration to bringing in some other motion to govern the business of the house from now on, and at least make more convenient our procedure from day to day.

Mr. MACKENZIE KING: Yes. It is the intention of the government to do exactly as I said and have a motion brought in on one of the opening days after the recess.

Mr. SMITH (Calgary West): With respect to the business of the house, I want to ask the Prime Minister when the committee in regard to rules is going to operate. After the farce we have seen here in the past week, I think it is time that committee met, and it should be the first business of this house to see that it does meet.

Mr. ABBOTT: I suggest that it bring in a rule against repetitious debates in committee, too.

Mr. SMITH (Calgary West): I did not say that, but why not have it done?

Mr. ABBOTT: My hon. friend's party have been the worst offenders.

Mr. SMITH (Calgary West): I do not know anyone who needs it more than the minister does.

Mr. ABBOTT: I have not been repetitious.

Mr. MACKENZIE KING: As my hon. friend will recall, I brought on the motion for the establishment of that committee some weeks ago. It has been left to the members of the committee themselves to decide when they should meet. His Honour the Speaker stated, I believe, that a meeting would take place during the recess or immediately after.

Mr. SMITH (Calgary West): I assume that the committee has a chairman. The matter was raised by the hon. member for Peel within the last week, and we now see the absolute necessity of doing something to avoid all the nonsense we have been through during the past ten days.

Mr. SPEAKER: I can assure the hon. member for Calgary West, as I assured the hon. member for Peel, that I am anxious to have the committee meet, and it is my intention to call a meeting right after the Easter recess. I have just received information that it will be about half an hour before we are invited to proceed to the other chamber, so I would suggest that this sitting be suspended.

At 9.10 p.m. the sitting was suspended.

At 9.20 p.m. the sitting was resumed.

THE ROYAL ASSENT

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

Mr. Speaker, the Right Honourable the Deputy 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 Farm Improvement Loans Act, 1944.

An Act to incorporate National General Insurance Company.

An Act respecting the Trust and Loan Company of Canada.

An Act respecting the Eastern Trust Company.

An Act respecting the New Westminster Harbour Commissioners and to provide for the refunding of maturing financial obligations.

An Act to amend the Continuation of Transitional Measures Act, 1947.

An Act to amend the Agricultural Products Act.

An Act to amend the Canadian Wheat Board Act, 1935.

An Act to amend the Excise Tax Act.

An Act to amend the Customs Tariff.

An Act respecting emergency measures for the conservation of Canadian foreign exchange resources.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1949.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1948.

Mr. MacKINNON moved the adjournment of the house.

Motion agreed to and the house adjourned at 9.40 p.m. until Monday, April 5 at 3 p.m.

The following items were passed in committee of supply:

FURTHER SUPPLEMENTARY ESTIMATES, 1947-1948

Department of Agriculture

Administration service—

563. Publicity and extension division—further amount required, $825.

Production service—

564. Health of animals—compensation for animals slaughtered—further amount required, $200,000.

565. Live stock and poultry—further amount required, $20,000.

566. Plant products—seeds, feeds, fertilizers, insecticides and fungicides control—further amount required, $5,000.

567. Grants to fairs and exhibitions, as detailed in the estimates—further amount required, $4,481.

Marketing service—

568. Subsidies for cold storage warehouses under the Cold Storage Act, and grants, in the amounts detailed in the estimates—further amount required, $16,567.72.

569. Live stock and live stock products—further amount required, $25,000.

Special—

570. Prairie Farm Assistance Act administration—further amount required, $250,000.

571. To reclaim and to prevent the flooding of valuable agricultural lands in the valley of the Lillooet river, near Pemberton, B.C.—further amount required, $50,000.

572. To authorize and provide for payment of subsidies on oats and barley used as feed for live stock under such regulations as may be approved by the Governor in Council—further amount required, $6,500,000.

Unemployment Insurance Act, 1940—

588. Government's contribution to unemployment insurance fund—further amount required, $5,000,000.

589. To provide that, notwithstanding anything in the Civil Service Act or the Civil Service Superannuation Act, the appointments of

J. E. Neish as employment adviser, grade 3 and of L. J. Ricks as employment and claims officer, grade 4, of the unemployment insurance commission, shall be deemed to have been made in accordance with the provisions of section 11 D of the Civil Service Superannuation Act which shall apply thereto, and that each of such persons shall be deemed to have been on leave of absence from the unemployment insurance commission while on active service with His Majesty's armed forces effective August 1, 1941, $1.

Legislation

The Senate—

590. General administration—further amount required, $9,500.

591. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the senate who attended the first part of the present session which commenced on December 5, 1947, and ended on December 19, 1947, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence after the Christmas adjournment of parliament on December 19, 1947, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date, or at any other one time during the present session, $5,000.

House of Commons—

592. General administration—estimates of the clerk—further amount required, $108,000.

593. Estimates of the Sergeant-at-Arms—further amount required, $20,000.

594. To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the House of Commons who attended the first part of the present session which commenced on December 5, 1947, and ended on December 19, 1947, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence after the Christmas adjournment of parliament on December 19, 1947, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date, or at any other one time during the present session, $12,000.

General—

595. Printing of parliament, including salaries of staff of the joint distribution office—further amount required, $70,000.

Mines and Resources

Mines and geology branch—Bureau of mines—

596. Explosives Act—further amount required, $833.33.

597. Yukon coal development, $100,000.

Lands, parks and forests branch—National parks bureau—

598. National parks and historic sites services—further amount required, $30,000.

599. Administration of the Migratory Birds Convention Act—further amount required, $900.

600. Forest and wildlife conservation—further amount required, $29,938.

Surveys and Engineering Branch—Dominion Water and Power Bureau—

601. To provide for the refund of water-power rentals paid by the Calgary Power Company and deposited to the consolidated revenue fund which, in accordance with the terms of the Alberta Natural Resources Transfer (Amendment) Act 1945, is payable in part to the Indians of the Stony Indian reserve and in part to the province of Alberta, $1,733.76.

Indians Affairs Branch—

602. Branch administration—further amount required, $4,107.41.

603. Indian agencies—further amount required, $20,000.

Welfare and training—

604. Welfare of Indians—further amount required, $100,000.

605. Indian education—further amount required, $14,000.

National Defence

Pensions and other benefits—

606. To authorize the governor in council to grant a pension, effective April 1, 1947, to the widow and children of the late Paymaster Commander Francis R. W. Nixon, in accordance with the terms of the Militia Pension Act, including for purposes of such pension his service in the R.C.N. under the age of eighteen years and notwithstanding the payment of a gratuity to the widow under the said act, $1,287.55.

National Health and Welfare

National Health branch—

607. Opium and narcotic drugs—further amount required, $10,000.

608. Medical services—Indians and Eskimos—further amount required, $500,000.

National Revenue

Customs and Excise divisions—

609. General administration—further amount required, $10,000.

610. Inspection, investigation and audit services—further amount required, $23,500.

611. Ports, outports and preventive stations, including pay for overtime of officers notwithstanding anything in the Civil Service Act, and temporary buildings and rentals — further amount required, $198,000.

Taxation division—

612. District offices—further amount required, $317,000.

Post Office

613. Railway mail service—further amount required, $470,000.

614. Air and land mail services—further amount required, $150,000.

Public Printing and Stationery

615. Printing, binding and distributing the annual statutes—further amount required, $15,000.

616. Printing and binding official publications for sale and distribution to departments and the public—further amount required, $50,000.

Public Works Department

Architectural branch—

617. Ottawa—maintenance and operation of dominion public buildings and grounds, including rents, repairs, furniture, heating, etc.—further amount required, $225,000.

618. Maintenance and operation of dominion public buildings and grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc.—further amount required, $250,000.

Construction, repairs and improvements of public buildings—Quebec—

619. Dominion public buildings—improvements and repairs—further amount required, $50,000.

Ontario—

620. Dominion public buildings—improvements and repairs—further amount required, $25,000.

Engineering branch—Maintenance and operation of graving docks, locks and dams, etc.—

621. Kingston graving dock, $8,500.

622. Locks and dams—further amount required, $106,000.

Construction, repairs and improvements—harbours and rivers—Quebec—

623. St. Ignace de Loyola—reconstruction of pier, $20,000.

Ontario—

624. Thames river — redredging — further amount required, $15,200.

Whitby—towards repairs to harbour works—further amount required, $50,000.

Saskatchewan, Alberta and Northwest Territories—

625. Bell Rock (Fort Smith), N.W.T.—wharf, $5,000.

British Columbia and Yukon—

626. Columbia river—protection work—further amount required, $13,000.

General—

627. National gallery of Canada—further amount required, $1,120.

628. Miscellaneous works not otherwise provided for, not more than $5,000 to be expended upon any one work—further amount required, $11,950.

Secretary of State

629. Citizenship registration branch—further amount required, $1,220.

630. Trade marks branch—further amount required, $2,000.

631. Canada Temperance Act—further amount required, $1,500.

Patent and copyright office—

632. Administration division—further amount required, $200.

633. Copyright and industrial designs division—further amount required, $2,800.

634. Contribution to the international office for the protection of industrial property, international copyright union office and union for the protection of literary and artistic works—further amount required, $1,600.

Trade and Commerce

Standards division—

635. Electricity and gas inspection services, including administration of the Electricity and Fluid Exportation Act—further amount required, $4,500.

636. Exhibitions, including authority to refund from revenue deposits received for contracts for space at the Canadian international trade fair—further amount required, $90,000.

Canadian Government Travel Bureau—

637. To assist in promoting the tourist business in Canada—further amount required, $175,000.

Special—

638. Canadian Commercial Corporation—to reimburse the Canadian Commercial Corporation for expenses incurred in purchasing materials, supplies and equipment, etc., on behalf of the Department of National Defence under chapter 51, statutes of 1947, and approval of the amount of $80,000 paid from national defence appropriation for this purpose in the year 1946-47, $548,000.

639. Canadian Wheat Board—to reimburse the Canadian Wheat Board for expenses incurred from August 1, 1944, to July 31, 1947, in regulating deliveries of grain, allocation of railway cars and administration of regulations relating to maximum prices of grain, $733,249.81.

Department of Transport

640. Departmental administration — further amount required to provide for an additional deputy minister for the Department of Transport to be appointed by the Governor in Council and to be called the Deputy Minister of Transport for Air Services, to hold office during pleasure, and to have and exercise such powers, duties and functions with respect to the air services branch of the said department as may be specified by the Minister of Transport—amount required for 1947-48, $2,000.

Marine service—

641. Marine service administration—further amount required, $15,000.

642. Marine service steamers, including icebreakers—maintenance, operation and repairs—further amount required, $174,500.

643. To provide for Canada's share of the cost of the North Atlantic ice patrol—further amount required, $17,230.

644. Administration of pilotage, including authority for temporary recoverable advances to certain pilotage districts—further amount required, $9,000.

645. Miscellaneous services relating to navigation and shipping—further amount required, $9,000.

646. To provide towards the construction of a lighthouse supply and buoy vessel for the east coast—capital, $11,500.

Canadian Maritime Commission—

Mail subsidies and steamship subventions (formerly under the Department of Trade and Commerce).

Western local services—

647. Prince Rupert, B.C., and Queen Charlotte islands, service between—further amount required, $162,320.

Vancouver and northern ports of British Columbia, service between—further amount required, $187,680.

Eastern local services—

648. Halifax, Sherbrooke, Spry Bay and Tor Bay, service between—further amount required, $4,700.

Quebec, Natashquan and Harrington, service between—further amount required, $155,000.

Quebec or Montreal and Gaspe, calling at way ports, service between—further amount required, $48,000.

Railway service—Maritime Freight Rates Act—

649. Additional amount in excess of the sum of $3,042,000 already appropriated, to authorize and provide for the payment from time to time during the fiscal year 1947-48 to the Canadian National Railway Company of the difference (estimated by the Canadian National Railway Company and certified by the auditors of the said company to the Minister of Transport, as and when required by the said Minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (upon the same basis as set out in section 9 of the said act with respect to companies therein referred to) on all traffic moved during the calendar year 1947 under the tariffs approved on the eastern lines (as referred to in section 2 of the said act) of the Canadian National Railways—further amount required, $1,099,529.39.

650. Additional amount in excess of the sum of $800,000 already appropriated, to authorize and provide for the payment from time to time during the fiscal year 1947-48 of the difference (estimated by the board of transport commissioners for Canada and certified by the said board to the Minister of Transport, as and when required by the said minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in section 9 of the said act) on all traffic moved during the calendar year 1947 under the tariffs approved by the following companies: Canada and Gulf Terminal Railway; Canadian Pacific Railway, including Fredericton and Grand Lake Coal and Railway Company and New Brunswick Coal and Railway Company; Cumberland Railway and Coal Company; Dominion Atlantic Railway; Maritime Coal, Railway and Power Company; Sydney and Louisburg Railway; Temiscouata Railway Company—further amount required, $200,000.

Pensions and other benefits—

651. To provide, notwithstanding anything contained in the Consolidated Revenue and Audit Act or any other act or law, for payment out of the consolidated revenue fund to the widow of the late Pierre Trudelle, formerly clerk of the Department of Marine at Quebec, of contributions, without interest, made by the late Pierre Trudelle to the civil service superannuation fund, $790.03.

Air service—

(Control and supervision vested in the Minister of Reconstruction and Supply by order in council P.C. 529 of 10th February, 1948).

Radio division—

652. Issue of radio receiving licences—(transport department only)—further amount required, $344,000.

Veterans Affairs Department

653. War veterans' allowance board—administration—further amount required, $5,500.

Payments to or for veterans and dependents—

654. War pensions—world war I—further amount required, $2,000,000.

655. War veterans allowances—world war I—further amount required, $1,600,000.

656. Widows allowances—world war I—further amount required, $100,000.

657. Allowances—orphaned children—world war I—further amount required, $1,000.

658. To authorize, subject to the approval of the governor in council and in lieu of any compensation to which his dependents may be entitled under the Government Employees' Compensation Act, 1947, payment of pensions to the dependents of the late Doctor Murray R. Bowie under the pension act in the same manner and subject to similar terms and conditions as if Doctor Bowie had been killed on duty while serving in world war II as an officer holding the rank of major in His Majesty's Canadian forces and to provide for the immediate payment of $1,000 to the widow of Doctor Murray R. Bowie, $1,000.

659. To authorize payment under the Veterans Insurance Act to Joan Snow, widow of the late Frank Rennie Snow, of the benefits to which she would have been entitled under that act had his application for insurance thereunder been formally approved, by the superintendent of veterans insurance, before his death, $1.

Government Owned Enterprises

Deficits—Transport—

660. Additional amount in excess of the sum of $707,000 already appropriated, to provide for the payment during the fiscal year 1947-48 to the Canadian National Railway Company (hereinafter called the national company) upon application approved by the Minister of Transport, made from time to time by the national company to the Minister of Finance, and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) in the operation of the Prince Edward Island car ferry and terminals arising in the calendar year 1947—further amount required, $224,855.96.

611. Amount required to provide for the payment during the fiscal year 1947-48 to the Canadian National Railway Company (hereinafter called the national company) upon applications approved by the Minister of Transport, made from time to time by the national company, to the Minister of Finance and to be applied by the national company in payment of the deficit (certified by the auditors of the national company) arising in the calendar year 1947, but not including amounts charged to proprietor's equity of the national railway system as defined in chapter twenty-two of the Statutes of Canada, 1937:

Canadian National Railways, exclusive of eastern lines, $5,280,432.77; eastern lines, $10,604,761.51, $15,885,194.28.

662. To hereby authorize and provide for payment during the fiscal year 1947-48 to Trans-Canada Air Lines to be applied by Trans-Canada Air Lines in payment of the deficit (certi-

fied by the auditor of Trans-Canada Air Lines to the Minister of Reconstruction and Supply as and when required by the said minister) resulting from the operations of Trans-Canada Air Lines during the calendar year 1947, less the surplus accruing from the operations of the Trans-Canada Air Lines (Atlantic) Limited, during 1947, and less the accumulated surplus of the Trans-Canada Air Lines as at December 31, 1946:

Trans-Canada Air Lines deficit, calendar year 1947, $1,761,042.84.

Less: Surplus Trans-Canada Air Lines (Atlantic) Limited, year 1947, $136,303.31.

Less: Accumulated surplus Trans-Canada Air Lines as at December 31, 1946, $255,061.23, $1,369,678.30.

National harbours board—

663. To provide for payment to the national harbours board, of the amount hereinafter set forth, to be applied in payment of the deficit (exclusive of interest on dominion government advances and depreciation on capital structures) arising in the calendar year 1947 in the operation of the Quebec harbour, $70,481.14.

Demobilization and Reconversion

Agriculture—Agricultural supplies board—

664. Feeds administrator, including freight assistance on western feed grains—further amount required, $4,050,000.

Public Works

Architectural branch—

665. Vancouver—Construction of temporary office building for Department of Veterans Affairs—To complete payments on contract, $18,098.

Transport

Railway and Steamship service—

666. To provide for payment of the claim submitted by the Danish War Risk Cargo Insurance Institute of Copenhagen, Denmark, in respect of certain portions of the Danish consigned cargo laden in the M.S. *Europa* at the time of her seizure in prize in April, 1940, $195,416.77.

Canadian Maritime Commission—

667. Steamship subsidies stabilization fund (formerly under the Department of Trade and Commerce)—further amount required, $30,000.

Air service—

(Control and supervision vested in the Minister of Reconstruction and Supply by order in council P.C. 529 of February 10, 1948.)

Civil aviation division—

668. To hereby authorize contribution of an amount not exceeding $780,000 to the State of Michigan, U.S.A., Department of Aeronautics, towards the construction and development of airways facilities at Houghton and Grand Marais, Michigan, U.S.A., for use of Canadian aircraft and costs of operation and maintenance of such facilities to March 31, 1948, as certified to by the Controller of Civil Aviation, and approved by the Minister of Reconstruction and Supply, less $721,049.85 already paid under authority of vote 628, airways and airports, capital, construction and improvements, demobilization and reconversion appropriation, 1946-47, $58,950.15.

Veterans Affairs

669. Pensions—world war II, and pensions granted under the authority of the civilian government employees (war) compensation order P.C. 45/8848 of 22nd November, 1944, which shall be subject to the Pension Act—further amount required, $2,000,000.

670. War veterans allowance board—allowances to dual service veterans (world war I and world war II); to veterans, world war II only, and North West Rebellion, 1885—further amount required, $125,000.

HOUSE OF COMMONS

Monday, April 5, 1948

The house met at three o'clock

EXTERNAL AFFAIRS

RETURN OF TRIESTE TO ITALY

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I should like to answer a question put on March 22 by the hon. member for Peel (Mr. Graydon) as to the intention of the government with respect to objectives set out in the joint statement on Trieste issued on Saturday, March 20, by the governments of the United States, the United Kingdom and France. The first part of this declaration reads as follows:

> The governments of the United States, United Kingdom and France have proposed to the governments of the Soviet Union and Italy that those governments join in agreement on an additional protocol to the treaty of peace with Italy which would place the free territory of Trieste once more under Italian sovereignty.

In his address before the plenary session of the Paris conference on August 2, 1946, the Prime Minister (Mr. Mackenzie King) said:

> Our concern as a nation is to see that, as far as we can help to make them so, the peace treaties will be based upon broad and enduring principles of justice and equity. Canada seeks no territory, no reparations, no special concessions of any kind, but we do seek to build a lasting peace.

On October 8, 1946, the head of the Canadian delegation, the Hon. Brooke Claxton, speaking before the plenary conference, stated with reference to the statute of Trieste:

> The compromise for which the large majority of the commission eventually voted followed the lines laid down by the council of foreign ministers. The Canadian delegation supported the creation of the free territory of Trieste in the hope that it will possess genuine independence under the authority of the united nations. This hope, however, is based upon the belief that in the last resort Yugoslavia, which was in the forefront in the war against the axis forces, will find it possible to play a leading role in supporting a pacific and progressive solution of this most difficult aspect of the Italian settlement.

This hope has not been realized. In reply to the question of the hon. member for Peel, therefore, I wish to state that it is the intention of the Canadian government to support the proposal of the governments of the United States, the United Kingdom, and France to return the free territory of Trieste to Italy by revision of the peace treaty with Italy.

Mr. GRAYDON: Does that mean that the resolution standing on the order paper in the name of the Secretary of State for External Affairs as the second order under government notices of motion will have to be amended with respect to Italy?

Mr. ST. LAURENT: No. It is our intention to proceed with this resolution, and, if there is a protocol to the Italian peace treaty, to bring it forward in proper time for approval by the house.

VOCATIONAL TRAINING

CONSOLIDATION INTO ONE AGREEMENT OF SEVERAL TYPES OF TRAINING

Mr. PAUL E. COTE (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I should like to table copy of order in council P.C. 1146, passed on March 25, 1948 under the provisions of the Vocational Training Co-ordination Act, 1942. This order in council provides for the consolidation into one agreement of several types of training being carried on under financial arrangements between the dominion and provincial governments. The types of training are: training of veterans, training of unemployed workers, youth training and student aid, training of foremen and supervisors. The new agreement will run for two years from April 1, 1948, whereby the dominion government will pay dollar for dollar the cost of training all except war veterans. The entire cost of the training of war veterans is to be borne by the dominion government.

FREIGHT RATES

INCREASES ORDERED BY TRANSPORT BOARD—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 31

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before we proceed with the business of the house I ask leave, seconded by the hon. member for Vancouver East (Mr. MacInnis), to move the adjournment of the house under standing order 31 for the purpose of discussing a definite matter of urgent public importance, namely, the proposed increases in freight rates authorized by the board of transport commissioners, which rates it is understood are to be posted by the railroads concerned on April 8, thus creating a situation demanding urgent consideration by this house with a view to making clear the need for immediate action by the government.

Mr. SPEAKER: Has the hon. member leave of the house?

Some hon. MEMBERS: Yes.

And leave having been granted:

Mr. COLDWELL: Mr. Speaker, on March 30, the board of transport commissioners brought down its decision on the application of the railways for permission to increase their rates by thirty per cent. It will be recalled that they also asked that on coal a flat rate or sliding scale of rates of increase be permitted. According to the judgment of the board, the railway companies are authorized to publish and file tariff schedules in accordance with the board's findings on not less than three days' notice. The minimum charge for single less than carload shipments between any two stations will be one hundred pounds at first class rate, but not less than seventy-five cents. Then they go on to say that the recognized differentials via rail, water and rail routes are to be preserved as far as may be practicable, even though certain rates via differential routes may be lower or higher than would otherwise prevail if such rates were subjected to the increase authorized. As hon. members no doubt know from reading the judgment issued by the board, the increase authorized is a flat increase across the board of 21 per cent, together with an increase of 25 cents a ton on coal.

There are of course certain exceptions to this increase which the board has listed, namely, rates affected by the Crowsnest Pass agreement, the rates on the movement of grain, feeds and so on east and west, and the rates which are affected by our relations with the United States and the transportation systems of the two countries.

The proposed increase in freight rates I take it is a matter of vital concern to every part of Canada. It is of particular concern to certain parts of Canada, namely, the maritime provinces, the Pacific coast province of British Columbia and the provinces that we call the prairie provinces. This is a flat increase in rates of 21 per cent across the board—in other words, a horizontal increase, as it was sometimes termed in the discussions before the board of transport commissioners. I think it should be noted that all the interests in the regions to which I have referred, whether governmental, commercial, agricultural, or otherwise are united in opposition to this increase in freight rates.

I would draw the attention of the house to the fact that the implications of these increases are a matter of grave concern to this house and to the country at the present time, because they come in one of the most inflationary periods in modern Canadian economic history.

[Mr. Coldwell.]

According to the dominion bureau of statistics the cost of living index is now 150·8 as compared with 100 as the pre-war level. That is indeed a most substantial increase, and one which has occurred largely within the last twelve or fifteen months. In our opinion this will further aggravate the difficulties that many of our people find in meeting the cost of living on the fixed income or salary or wage which they have been receiving for the past number of years. To those people in the more distant parts of Canada who live on such incomes the impact will be the greatest, just as will the impact be the greatest in every respect on those who live farthest away from this part of Canada which we usually describe as central Canada.

The provinces that are most concerned with the export of primary commodities will feel the effect the most. These are the provinces, like my own province of Saskatchewan, where there is very little manufacturing, where they export the bulk of what they produce and where they have to buy nearly all the things they need for the production of that which they export. The same thing applies in parts of British Columbia, in parts of Alberta and Manitoba and in the maritime provinces. These areas are likely to be the most hard hit by the decision of the board.

The freight rates in these regions have always been unusually high in relation to their total production. Into the cost of their production go the costs of the machines and supplies they must purchase, and in the main those costs, as I shall show in a few moments, have to be met by the producer himself. They cannot be passed on to the public.

I wish to point out to the house, and particularly to the government, that a horizontal or across-the-board increase is particularly discriminatory and prejudicial; it does not affect all parts of Canada in the same way and to the same extent. Where, because of competition by water or by road, railway rates are kept down, the 21 per cent increase is obviously less in dollars than it is in regions where the rates are higher because there is not that effective competition. The dollar increases will be larger in British Columbia and in the maritime provinces and on the prairies than they will be in central Canada where this competition does exist.

When we read the story of confederation we realize that this nation as we now know it was largely made possible by the undertaking given at that time by the government and the fathers of confederation that a transcontinental railway line would be built to the Pacific coast, and it was largely on the basis of those bands

of steel that British Columbia joined confederation. We are linked, then, by those bands of steel, and while the board of transport commissioners could not consider what one may term the political implications in the sense in which I have just noted them, while they apparently felt they had to consider the question purely on the ground of economics, this house and this government are in my opinion obligated to take the wider and the broader view of the conditions under which confederation was established in Canada.

We are linked by those bands of steel. Let us not forget that British Columbians could sell much of their produce and purchase many of their commodities to far greater advantage in the Pacific coast states to the south of the line if those bands of steel ran north and south; that the maritime provinces would benefit enormously through being able to trade with the states on the Atlantic coast of the United States, and that the prairie provinces, my own region, would be in a much more advantageous position if the railways ran north and south, thus enabling them to dispose of their goods south of the 49th parallel in Minneapolis and other great cities in the south, and in addition were able to buy their machinery from the United States. But our forefathers decided that we should not link Canada to the United States but build up in this country an independent nation, and we have built up that independent nation along certain lines. One of the bonds that link us together in this country is the bond of railways, those bands of steel to which I have referred. Our forefathers determined to build up an independent Canada, and because of that I submit to the government and to the house that considerations other than those of cold railroad economics must enter into a question of this kind and of this magnitude.

I have said that the substantial increases in the rates are bound to make increases necessary in certain price levels. We had a demonstration of that in 1920 when an increase of some 40 per cent was granted to the railways. As I recall the judgment of the board in 1920 I must say that there is one satisfactory feature about the judgment which the board of transport commissioners gave the other day, and that is that there is to be no interference with the Crowsnest rates. We have read the record of the debates of 1920 and recall the controversy that arose then with respect to what are called the Crowsnest rates, and I am glad that we are not faced with that situation again today. But those increases in railway rates were brought about and were followed by a recession, and together they made our whole position, particularly in the parts of Canada to which I have specifically referred, much more difficult than it might otherwise have been.

I would point out to the house that this judgment of the board is particularly inopportune. Last Saturday the President of the United States signed the European recovery program measure, popularly known as the Marshall plan. We expect that Canada will be called upon to participate in the sending of greater supplies of food and other commodities to Europe under that plan, and of course it will be to our economic advantage to provide those goods. But without effective price controls or subsidies, which have been removed in our country, with an increased demand for our goods without comparable increases in production—and those are not possible to the extent that will be required, because as the Minister of Labour (Mr. Mitchell) loves to tell us from time to time, we have virtually a condition of full employment now and we cannot increase our productivity to a very large extent — with a greater demand for our goods from without the country and the maintenance of purchasing power within the country, there is danger of still greater pressure on the price level, and the 21 per cent increase in freight rates authorized by the board of transport commissioners is bound to make that inflationary pressure greater than it otherwise would have been.

We have also to bear in mind that freight rates enter into the price level at many points. They enter into it when the primary commodity which is to be fabricated or processed leaves the farm or other point of origin and goes to the processing point. Secondly, when the fabricated goods leave the processing point and go to the wholesaler, the 21 per cent freight rate increase is again effective, and when the article goes from the wholesaler to the retailer the same thing applies. Each one of these intermediaries figures his profit on his entire outlay, which includes freight; consequently the increase in freight rates when the commodity reaches the ultimate consumer has been pyramided many times over what it was at the primary point, and the increase in freight rates becomes far more than 21 per cent on that primary article when it ultimately reaches the consumer. And so I say that the freight rate increase will enter into almost every aspect of our price level.

I said a few moments ago that certain competitive carriers exist in certain parts of Canada. They exist in the province of Ontario, and when it was announced that

railway freight rates were to be increased by 21 per cent the truckers met and decided to increase their rates by 15 or 20 per cent—I believe it was 20 per cent—still retaining a competitive position; but because of the increased railway freight rates they are able to increase their own rates very substantially. All this—increased cost of production, the increased cost of living, increased transportation rates—is bound to be reflected in an increased demand for wages. In many lines of work wages in this country are not high. Sometimes it is claimed that the men working on the railways are receiving relatively high wages. But today trains of a hundred cars are operated by the same crew of five as trains of forty cars forty years ago; and so the amount of wages spread over the longer and heavier train is not much more than the wages spread over the smaller train of forty cars.

In any event the demand for increased wages will follow the increased cost of living, and we shall be in that inevitable spiral; because wages never catch up with rising prices, and there is unrest when men cannot make both ends meet. Therefore I say that at a time when every effort should be made to reduce living costs and the cost of production, prices will increase and the granting of this increase of 21 per cent to the railroads is a bad example to other industries. We ask other industries to reduce their prices, and at the same time one of the very factors entering into production, the railroads, are permitted a substantial increase in their freight rates. That is why I say it is a bad example to set to other industries.

As usual, in a country like this, freight rates enter into almost every aspect of our commercial relationships. At a time when we need houses for our people, when there is a shortage of dwellings for Canadians, when we need to ship lumber, cement, steel and other commodities that enter into the building of houses from one end of the country to the other, we are permitting an increase of 21 per cent on this heavy freight. The result will be more and more difficult in financing the building of houses and in the purchase of homes by those who need them. Altogether the effect, of course, will ultimately be to increase prices and to restrict purchasing power, because when prices rise, individuals have less to spend on things other than their basic needs.

While I do not think there is any immediate prospect of a depression, particularly with the demands that are likely to be made on the Canadian economy in the next year or two, yet we do have a condition of high prices, and inflation inevitably is followed by deflation and depression.

[Mr. Coldwell.]

In thinking of the farming community of this country we have to bear in mind that the prices of farm commodities are controlled. As a matter of fact, price ceilings are in effect on several farming commodities, on butter particularly at the present time, and under the new wheat agreement negotiated by the thirty-six countries a ceiling of $2 is set, with a sliding scale downward over the next few years, an agreement which I believe has been made in order to stabilize farm prices, and I think therefore worth while. Nevertheless it has placed a ceiling on the goods the farmer produces, while he will have to meet the increased cost of production that will arise because of the increased costs of machines and of the commodities he must buy from outside the areas in which he lives. As a matter of fact that is usually the case with the farmer, because he is one of the producers who cannot pass his costs on to someone else. Usually his prices are pretty well fixed one way or the other, and he has to bear any increase in the cost of production, which is unjust.

I said a moment ago—and I want to emphasize it—that the new rates do not affect grain, and I do not want to leave the impression that they do. The price of wheat has been stabilized by an international agreement, and the increased cost of the farmers' machines will have to be borne by himself. May I also say, Mr. Speaker, that at a time when the demands for supplies from North America, and particularly from Canada, are more intense from Europe, naturally there will be an increasing demand for access to the American market, and under the circumstances that is a very legitimate demand. Altogether it seems to me that what this decision has done is to complicate very seriously the situation for Canada, in relation to both our domestic needs and our export demands.

I said the rates are lower in central Canada because of the competitive water and truck haulage. An increase of 21 per cent means less to the people of central Canada than to the people of the maritimes, of British Columbia and of the prairie provinces, but it is still a serious factor in this part of the country, and I do not want to minimize the seriousness of it by the comparison I have just made. The increase of 25 cents a ton in freight on coal, for example, is a serious factor in central Canada, because central Canada is an area which uses vast quantities of coal for industrial purposes and for domestic heating, and every increase in freight always costs much more than the amount of the increase in freight when the commodity reaches the ultimate consumer. Even if the increase is only 25 cents a ton,

it is bound to be reflected in many ways in central Canada itself. Coal is vital to central Canadian industry; coal is vital in domestic heating in this province and in the neighbouring province where there are no coal deposits.

Apart from these economic considerations the government must consider the political effect of this increase on our regional relationships, to which I have already referred, and ultimately on our international relationships; because if the primary producing areas of Canada are hardest hit and the cost of production increases then their competitive position in world markets is made more difficult. Just at the moment one would not expect that to be a factor, but the day will come when the competitive position of various Canadian primary products will decide the abundance or otherwise of our exports overseas.

A short time ago I read some statistics compiled with regard to the improvements in European farm and productive conditions, and I was particularly struck by the enormous acreage that the Russians seeded last fall in addition to the 1946 fall seedings. I think some seven million additional acres were seeded. Reference was also made to the fact that they are breaking a lot of new land and are going to seed some twenty million acres of fallow land this spring. Bear this in mind: the Russian people accept a much lower standard of living than we do, and the result is that food, which may become a political factor, may also become a matter of economic concern to countries like Canada which experienced the effects of the dumping of cheap wheat on the market back in the early thirties. We should consider how it may affect us again.

Consequently, these freight rates, while grain and so on are excluded, will affect everything that enters into the cost of production of grain. Everything entering into that cost will be affected by the new freight rates which have been authorized by the board of transport commissioners. I say therefore that in view of present world conditions the government should give some consideration to the political implications of the board's judgment. We should endeavour to maintain our associations, both economic and political, with the countries of western Europe and with the United Kingdom, and these associations may depend in no small measure, in a few years' time, upon our ability to sell basic commodities at prices which can be paid by the people overseas and at the same time provide our own people with a reasonable and decent standard of living. But the increase in the freight rates will make it difficult to do either or both of these things.

As I have indicated, the board of transport commissioners could not consider many of the factors I have put before the house this afternoon, but this parliament should and must consider them, and the government should and must do so now. The board, though, admitted that the representations made by some of those who appeared before it were correct. Incidentally, last week the new balance sheet of the Canadian Pacific Railway Company confirmed the statements that were made before the board, that the Canadian Pacific had presented a really pessimistic estimate of its receipts for 1947. Again, that is a factor which the government should take into consideration.

The department of immigration at the present time, from the point of view both of developing our country and, what I think is at the moment even more important, of giving refuge to those who have suffered on account of the war, is bringing to the country many new settlers, some of whom will go into the more remote areas of Canada; and transportation costs will tend, as they have always done, to restrict settlement of those more distant parts.

For example, the district represented by my hon. friend the member for Peace River (Mr. Low) contains enormous quantities of good land yet to be settled. There are various parts of British Columbia, and some parts of Saskatchewan and indeed other sections of our country, which, at a time when we are bringing people into Canada for ultimate settlement, are looking for such settlers; but this freight rate increase will make it more difficult to settle these people economically because of the transportation costs to and from the more remote areas of the things they need or produce.

Then, too, we have to give some attention to the livestock industry. This action will certainly retard expansion in the livestock industry of Canada. It will make hog and dairy production less remunerative because the farmer cannot pass on his increased costs; and already, as has been noted in this house by various hon. members, and admitted by the Minister of Agriculture himself, there has been a serious decline in our hog population in the prairie provinces. At the moment we are suffering severe shortages in some lines of dairy produce, particularly butter. You can see the consequences of this threatened increase if you consider one or two examples of the effect that will be produced.

I have here a bill for the shipment of thirty-nine head of cattle from a Saskatchewan point to the Toronto market. This Saskatchewan point is near Moose Jaw. It is a little place called Crane Valley. The present

rate from Crane Valley is $1.09 per 100 pounds. The actual weight of the carload of steers was 21,430 pounds. In the amount I am going to put before the house there was no charge for stopovers and sometimes there are substantial charges for stopovers for various reasons. As I say, the freight charge was $1.09. That amounted to $233.59. Together with the care of the car, and feed en route, the total charge by the railway—and I am advised that it is on that total charge that they can make the increased freight rate—was $238.34. If we take 21 per cent of $238.34, which is the increase to be allowed, we find it amounts to $50.05, which the farmer will have to pay.

It may be said of course that the prices of cattle are relatively high, though they are certainly not as high as they are in the United States, and not as high perhaps as warranted by the present situation, but they are very much higher than I can remember them years ago. I can remember when animals were shipped, not to Toronto from a Saskatchewan point, but to Winnipeg from Saskatchewan points, and the farmers received bills for the freight because the cattle did not pay the freight. In fact, I believe I have such a bill in my files upstairs at the present time. Today of course the prices of cattle compared with those of the time of which I speak are relatively high; and if, as will inevitably happen some time, we have drastic reductions in the price level of these animals, then an increase of $50.05 on a carload of cattle, which is substantial at the present time, will be crippling in the future.

These are factors that should be considered by the government when they are coming to a decision in regard to this matter. Of course, I could give other examples equally striking but I do not propose to weary the house with them. The one I have mentioned will suffice. That one, however, could be multiplied many times in respect of other commodities from the maritime provinces, from British Columbia, and other types of goods from the prairie provinces.

Let me point out that the areas to which I have referred, and particularly perhaps the prairie provinces, have always been penalized by the operations of the tariff policies of various governments. Almost everything we have to buy in order to produce and to live in western Canada has been imported, if not from the United States, with a high tariff, then from eastern Canada, where the manufacturer has taken advantage of the tariff and added on the tariff toll to the cost of his commodity.

Mr. HOMUTH: Oh, no.

Mr. COLDWELL: The hon. member for Waterloo South (Mr. Homuth) objects to that statement, but all you have to do is to price an automobile in ordinary times in this country and in the United States and you will find that the tariff is in the price of the automobile that one buys in Canada whether the car is made in Canada or not. Take radios for example. I gave a good example here before Christmas of a little radio which I knew cost $96 in the United States and which I found in one of the large jewelry stores in this city priced at $197 plus tax.

Mr. KNOWLES: What tax?

Mr. COLDWELL: The excise tax.

Mr. KNOWLES: It was not on then.

Mr. COLDWELL: The tax was being collected illegally, but unfortunately, in spite of the majority vote against it on this side of the house, the house subsequently validated the illegal collection of that tax. That will be for ever held against the Minister of Finance (Mr. Abbott) and the government.

Mr. ABBOTT: A previous debate.

Mr. COLDWELL: We have been penalized by the tariff, and now we are to be penalized by a further increase in freight rates. I should like to suggest that we should not leave the matter there but rather that the government consider an alternative policy. If we are, as we contend, living in a country which has been built up largely upon railway facilities, then the people who live in distant parts of it should not be penalized because they live there. Consideration should be given to the equalization of freight rates across this country, thus recognizing that the railways are indeed a vital factor in the preservation of confederation. If the railways, as is contended, are unable to provide adequate services and to pay proper wages to their staffs with their present revenues, it seems to me that there arises the question of a national transportation policy for this country, that that national transportation policy should be presented to the house by the government, which should take responsibility for recommending it, and that the house should consider it and either modify it or adopt it as the case may be. There should be no regional injustices in order to finance the railways or to keep in operation any part of the Canadian economy. In our opinion an extension of government regulation of competing transportation agencies is overdue. I know that one of the factors in the demand for increased freight rates is that much of the profitable

freight and passenger traffic is now being carried by buses and trucks. It seems to me that whether the buses or trucks are owned and operated by private companies—and I am not going into that aspect of it this afternoon; let us leave that out—or whether they are operated by governments, we should consider how they can best be integrated into the whole transportation system so that they may feed rather than destroy the great lines of railway upon which this country depends for its existence.

I note that the board of transport commissioners admit that railway freight rates —and I shall be just one minute longer, if I may conclude, Mr. Speaker—should be just and reasonable. I say that they have always been unjust, unreasonable and discriminatory as far as certain parts of this country are concerned, namely, the maritimes, British Columbia, and the prairie provinces. This freight increase makes them more unjustified, more unreasonable and more discriminatory. Therefore, Mr. Speaker, I want to urge upon the government that they take immediate action—not consideration but action—to prevent the increase in rates until a thorough investigation has been made, having regard not only to the economic factors upon which the board delivered judgment but also to the broader political considerations to which I have referred this afternoon, and to present an alternative policy to this house for its consideration.

Mr. THOMAS REID (New Westminster): It was only to be expected, Mr. Speaker, that the freight rate question would arise in the house after the decision of the board of transport commissioners became known. I listened with a great deal of attention to the remarks made by the hon. member for Rosetown-Biggar (Mr. Coldwell), and while I agree with everything he said, I would point out that, as a result of this decision, no province has been harder hit than British Columbia. I can say this also because I am one of the few members in the house who had the responsibility some years ago of appearing before the board of transport commissioners in an appeal with regard to freight rates on grain, and who also had the privilege of appearing before the privy council—which, by the way, is the government —in an appeal against an adverse decision made by the then board of railway commissioners on the same question.

It is not generally recognized—and I am not saying this in a derogatory sense, but rather as a result of experience—that the board of transport commissioners are not doing the job which they were set up to do in the first place. They were set up to protect the public from the railways; they are now protecting the railways from the public. I say that in all sincerity. This decision which they have made cannot be taken lightly by the government, and I shall make one or two proposals before I sit down. But there are other matters that I want to deal with before making the proposals which I have in mind.

First of all, may I say that I am sorry I came down to the house without my file on freight rates, which I have been keeping since 1934. For sixty years British Columbia has been fighting what is known as the mountain differential in freight rates. They have spent considerable sums of money in appearing before the board of transport commissioners. Here is one thing I found when I appeared before them. It did not matter what argument you placed before the board of transport commissioners, they always came back with this answer: this matter of the differential in freight rates was decided many years ago and we cannot change that decision. The board of transport commissioners are not interested in trade. They are not interested in the development of trade. That is not their job; at least they say it is not their job. But when it comes to an application for an increase of freight rates and passenger fares, this fact should stand out. No real expert from the railways has yet been able to tell the board of transport commissioners just what it costs to haul passengers or to haul a ton of freight. The evidence of the C.P.R. is on record when they had their experts before the board, and not one of them could give the information. It was I believe impossible to tell. Therefore the railways went about their job of putting the charges on the public to the extent, in the words of the old statement, of what the traffic would bear. The differential into British Columbia has been paid for many times over by the people of that province. As was pointed out by the leader of the C.C.F. (Mr. Coldwell), when we entered confederation it was understood that we would have a railway on equal terms with the other provinces of Canada. When the C.P.R. went into our province, acting contrary to better judgment and deciding against the route chosen by the government of that day, they picked the highest grade for a railway into the province. We have been victimized right from the beginning, from the time the railway came into the province until the present time. I know that there may be members from Ontario who will get up and say it is wrong for us to contend that we in British Columbia are paying more for freight than they are. But may I point this out to the house. It is strange and significant that in the appeals by the various

provinces before the board of transport commissioners, Ontario and Quebec were not represented. I ask the people of this country and I ask the government to make inquiries why those two provinces did not appear before the board and make representations.

Mr. KNOWLES: They never come to anything.

Mr. REID: I am not going to say anything about stories that have been told us as to the reasons they want to acquiesce, namely that they have a compact with the freight lines or something else. But in a great national question, when we hear members from the province of Ontario denying that they do not discriminate against other provinces, then certainly it is very strange that on this national question there was no representation from either Ontario or Quebec.

Mr. HOMUTH: What is your government doing?

Mr. REID: Our provincial government at least has done more than Mr. Drew, because they have already protested. I will wait to hear the protest from Ontario. That at least is something.

Mr. HOMUTH: I am asking about the government at Ottawa. What are they doing?

Mr. REID: We will ask them, too.

Mr. HOMUTH: You ought to.

Mr. REID: I am on my feet now to ask that very question.

Mr. HOMUTH: But you will not get an answer.

Mr. REID: Well I have done more than you; at least I am protesting, while all you are doing is to interrupt. Just let me proceed with my argument. If this is going to be a debate between you and me, then I will accept it. I thought, however, this was above that kind of thing; if it is not, I will abide by any rules you like to put into effect. I believe that before I have finished I shall prove what I say about the benefits received by the two central provinces—especially Ontario—as against British Columbia.

When the Canadian Pacific railway built into British Columbia they were paid well over $100 million and given twenty miles of land on each side of the tracks through the province. The people and the government of that day reckoned that we had paid the C.P.R. for coming through the mountains. There still are people who think that when you go to British Columbia you go over the mountains and then drop down. As a matter of fact the Canadian National railways has through British Columbia the lowest grade for the whole of Canada. It has a grade of not more than ·7 per cent on its low level water route. What does the board of transport commissioners do about the low grade of the C.N.R. as compared with the high grade of the C.P.R.? The C.N.R. could haul passengers from Ottawa to British Columbia—Vancouver or New Westminster—twelve hours ahead of the C.P.R.

An hon. MEMBER: More than that.

Mr. REID: Well, twelve hours, anyway; I am conservative when I say that.

Mr. COLDWELL: That is good enough.

Mr. REID: But are they permitted to do it?

Some hon. MEMBERS: No.

Mr. REID: Are they permitted to meet the developments of trucking and transport by air? No, they are not. The board of transport commissioners says: We will not allow the C.N.R. to do it because if you did, it would hurt the C.P.R. Hence I say to the house that the board of transport commissioners is not doing its duty because it is protecting the railways against the best interests of the people of Canada.

Mr. KNOWLES: They are protecting private enterprise.

Mr. REID: British Columbia thought it was going to get justice when the Canadian National Railways came into that province. For sixty years we have fought the battle. Before any national increase was allowed in freight rates, the differential to the Pacific coast should have been removed. There should have been equalization before any increase was put into effect.

True, we are getting a kind of sop when grain is left out of the picture—and, although I am not sure of it, I believe coal is also out.

Mr. COLDWELL: Twenty-five cents a ton.

Mr. REID: I know grain is out of it, and I am pleased. But what about all the other commodities? What about the hauling of apples, for instance? What about the rates on the produce we buy in other provinces? As I said, I have not my file with me at the present time, and as a result I have not the latest figures. On other occasions, however, I have quoted from those records and figures to show that back in 1938, before the war, British Columbia, whilst selling on an export market, bought something like $78,000,000 worth of goods from the two central prov-

inces, while those two provinces bought goods to the value of $12,500,000 from British Columbia.

In the light of those figures one would think that we would have an equalization of freight rates into British Columbia. But our manufacturers and our other people, when they attempt to ship the same kind of goods back east, have to pay up to 200 per cent more over the same mileage than do the people in the east when they are shipping those products into British Columbia.

I have here one or two newspaper clippings, and while I shall not weary the house by placing all the details on the record to show the discriminatory rates, I shall mention one or two of them. Let us consider, for instance, items such as bleaching powder and liquid wax, the latter of which comes from Brantford, Ontario. Liquid wax in cans shipped from Brantford to Winnipeg carries a commodity rate of $1.38½ per hundred pounds on the all-rail route and $1.28½ by the great lakes. On the same goods shipped from Vancouver the rate is not $1.28½ but $1.71. Is there any reason why a commodity going east should pay that much more than the same commodity coming west? It is as if a passenger who steps on a train at the Pacific coast were required to pay a higher fare to come to Ottawa than if he were going from Ottawa to the Pacific coast.

Mr. GIBSON (Comox-Alberni): He should pay more to get out there.

Mr. REID: And if any hon. member from Ontario disputes these figures, let him try to correct them if he can. I note in this list mention is made of the town of Chilliwack. From Chilliwack to Winnipeg the rate is $1.26½, whereas if a shipment is made from Sherbrooke to Winnipeg, the same distance, the rate is $1.14. Coffee shipped from Vancouver to Winnipeg would carry a rate of $1.54, whereas if shipped from Montreal to Winnipeg the rate would be 96½ cents.

One could go on down the list item after item to show this discrimination. It matters little what we have to purchase in British Columbia; the fact is that we have to pay from thirty to two hundred per cent more on the goods we buy from Ontario and Quebec than we should be called upon to pay.

There is something else entering into the picture of freight rates which is not generally understood, and that is that sometimes rates are made in the United States. There is in existence an organization known as the Canadian Freight Association, with headquarters in Chicago. In 1941 one of the local manufacturers in Vancouver wanted to manufacture an article in that city and ship it to eastern Canada. But strange as it may seem, when an appeal was placed before the Canadian Freight Association, which, I understand, is an association of railway interests of Canada and the United States, an adverse decision was given. This association meets and decides rates. The rate was decided by the Canadian Freight Association in the city of Chicago. Representatives of the two countries meet and I suppose they see to it that the Canadian rate does not go too low in case it might draw traffic away from the United States. It is a serious matter for the people of this country, especially at a time like this when they are called upon to pay an increase of 21 per cent over what they have been paying.

I know the railways are having difficult times these days, but I think this is partly due to the antiquated system under which they are operating. I may be wrong, but I know that if one travels on the Great Northern Railway he may leave the city of Vancouver and be in Toronto almost one day sooner than he would if he travelled by either of the Canadian lines. That railway is operating so efficiently that it is meeting the competition of air travel, and the cost is no greater. This is a condition to which we should give serious thought.

I want to repeat—because I think it should be said again—that the Canadian National Railways have been held down by the Canadian Pacific both in the matter of freights and in the matter of passengers. I do not know particularly about the prairie provinces, but I do know that in and out of British Columbia the Canadian National Railways can haul two to three times the passenger or freight cars hauled by the Canadian Pacific, owing to the fact that on the C.P.R. there is at some points a grade of 2·5 per cent whereas on the C.N.R. they have a low level water route stretching right from the coast to the prairies of not over ·7 per cent.

On a number of occasions I have informed the British Columbia government that it is useless to appeal to the board of transport commissioners for a reversal of their judgments. Therefore we must come to the real appeal board, to the foot of the throne, to the crown, in order to present our case. I am pleading as hard as I can and as sincerely as I can that the government do not allow this increase to be put into effect until the whole matter of freight rates is reviewed by some body other than the board of transport commissioners. The board of transport commissioners are so hedged in with past decisions they have made that you might just as well

stay home. Unless you want to see the capital city of Ottawa you will be just wasting time and money to come down here.

I think I mentioned a little while ago that the Canadian Pacific had obtained an additional concession in British Columbia through being granted an injunction against the operation of trucks in the national parks. Truck transportation in the national parks has therefore been eliminated, and the people in the interior are still called upon to pay high freight rates with the mountain differential, whereas if this injunction had not been granted freight by trucks could be operated to the prairie provinces.

I could mention many cases, but I shall refer to only one or two to show how their decisions and their attitude have restricted trade. A few years ago a certain manufacturer wanted the right to operate his trucks in bond from Vancouver to Calgary. As hon. members know, there is no national highway through to the prairie. He had a contract to deliver five tons of fresh fish which he was going to freight from Vancouver to Calgary. He told me that he could land that fish in Calgary three hours ahead of the railway express and then bring back to the province grain which he could carry at rates cheaper than those charged by the railways. But they would not allow him to send his trucks through in bond.

I say without fear of successful contradiction that our whole attitude to railway freight rates and to the railways is wrong. Many hon. members have advocated the construction of a highway from one end of the country to the other, and in my opinion the reason we do not have such a highway is that the railways fear it and have blocked progress. Something has to be done.

I know that losses by the railways have to be taken care of, but it is also a fact that there is much duplication of railway lines. I think it was the late Sir Edward Beatty who said that at least $60,000,000 to $75,000,000 could be saved if the railroads could get together to eliminate the duplication of lines in certain districts. It might well be under a new set-up they could haul all the freight into British Columbia over the Canadian National and all passengers over the Canadian Pacific. I am not sure, but I feel quite certain that if we had only the Canadian National running into British Columbia we would not be paying the high rates we are called upon to pay today.

I am going to conclude my remarks by strongly appealing to the government, and in all sincerity, to step in on behalf of the people of Canada and not permit this decision to be put into effect. I submit that the whole freight rate structure of Canada, particularly that of British Columbia, is antiquated and out of date under modern conditions. It is just something which has been set up to make the public pay.

An hon. MEMBER: What the traffic will bear.

Mr. REID: All the traffic will bear, as one hon. member says. I think that expresses it very well. I appeal to the government to consider this decision seriously in the light of what we consider to be the needs of the present situation.

Mr. KARL HOMUTH (Waterloo South): Mr. Speaker, I had no intention of taking part in this debate until I listened to hon. members attacking the provinces of Ontario and Quebec with regard to the decision on freight rates. The provinces of Ontario and Quebec have nothing to do with freight rates; those rates are set by the Board of Transport Commissioners for Canada. If those two provinces saw fit not to appear before the transport board with regard to freight rates, that was their own business. The other seven provinces did appear and tens of thousands of dollars were spent by governments on experts and legal counsel in order that the case might be placed before the transport board. This having been done, the board finally rendered a decision.

I listened attentively this afternoon to the leader of the C.C.F. (Mr. Coldwell). I was not sure as he went along whether he was or was not opposed to the increase.

Mr. COLDWELL: That was obvious.

Mr. HOMUTH: Just wait until I am through. I was not sure whether he was opposed to the increase, but as he concluded his speech I realized that he was opposed to it. What is the actual situation? Like any other business or industry in this country, no matter how small or how large, the railways were faced with increased costs during the war and it was impossible for them to renovate their roadbeds and cars and other equipment. They have to do that now. Anyone who travels on the railways knows very well how much they are in need of new equipment. I think every Canadian will say that no transportation system in the world did a better job during the war than our railways. They carried on with only one major disaster during those years.

The board has made its decision. Differentials in freight rates are a matter of government policy; they are something for the government itself to decide. If the government is prepared to pay subsidies, or whatever you may call it, on freight moving east or west

from the central provinces, that is a matter of government policy. Surely we should not condemn the railroads or the board of transport commissioners because of the decision that has been made.

I thought that after the motion had been made this afternoon the Minister of Transport (Mr. Chevrier) or some other responsible minister of the crown would have made a statement as to the government policy with respect to this decision. So far we have not heard that.

The hon. member who has just sat down made a speech taking to task the province of Ontario and the province of Quebec and telling us of the sorry plight of British Columbia in the matter of freight rates. We heard cheers from the members from the maritimes and the western provinces when the leader of the C.C.F. was speaking. I wonder why they did not bring to bear upon the government itself some of the arguments which they use in this house and ask the government to see to it that a policy is adopted which will bring freight rates more into line with national conditions.

Mr. REID: Because we are outnumbered.

Mr. HOMUTH: My hon. friend says "because we are outnumbered". It seems peculiar that a group of men representing the west and the maritimes in this house have not sufficient influence within their own party to get it to adopt a policy that is good for the whole nation. Nevertheless that is the situation.

Under the Railway Act there is an appeal against the rates where discrimination can be shown.

An hon. MEMBER: Then what happens?

Mr. HOMUTH: I have found some very favourable decisions given even where rail and water transport competed. In the summer months, when we had water transportation on the inland lakes, I have found the board favourably inclined to seeing that moderate rates were set, even when there was no competition from the railways. My hon. friend said that if only the Canadian National ran to British Columbia the situation would be different altogether. Surely he realizes that where you have competition you have lower rates. In all my experience, and I have had considerable experience with railways and steamship companies, I have found that where only one line runs into a town or village the rate is higher because there is no competition. My hon. friend must mean by his argument that if the National line ran into British Columbia it would see to it that it got—

Mr. REID: We would have had that, but the board of transport commissioners would not grant it.

Mr. HOMUTH: Let me say that the board of transport commissioners is a creature of the government which my hon. friend supports, and if there is dissatisfaction with the board there is only one thing for the government to do.

Mr. CHEVRIER: On a point of order, Mr. Speaker, the board of transport commissioners is not a creature of the government, as my hon. friend knows, but a creature of parliament, which is an entirely different thing. While I am on my feet perhaps he will allow me to say, as I did not want to interrupt him when he referred to government policy concerning equalization, that under the Railway Act equalization of tolls and facilities is a matter for the board of transport commissioners to decide. I am not denying the responsibility of the government upon appeal, but I say to my hon. friend that that is the situation under the act.

Mr. HOMUTH: I appreciate what my hon. friend says, but he might as well say that the budget itself is a creature of parliament; nevertheless it embodies the policy of the government. If I were sitting on the government benches and had any authority, and if the board of transport commissioners in my opinion were not acting in the general welfare of this country, I would fire them and appoint a board that would so act, and my hon. friend knows that only too well.

Mr. CHEVRIER: I know no such thing.

Mr. HOMUTH: It is all very well to say that the board is a creature of parliament, but if this government wanted to change the board tomorrow and brought in a bill for the purpose, every member of the house knows that it would go through and there would be a new board.

Mr. CHEVRIER: And who would object to that more than my hon. friend?

Mr. HOMUTH: Certainly I would. But if I were on the government side I would not. Let us be frank about these things. If I were sitting with the government I would certainly see that the policies I believed in were carried out, and if the board of transport commissioners were not carrying out the policy of the government, I would change the board. Let the government bring in a policy that will satisfy every member from the east and from the west.

I listened very carefully to the leader of the C.C.F. this afternoon and I heard his

reference to buses and trucks. I was in the Ontario legislature for a number of years at a time when motor vehicle traffic was starting to build up in this province from 173,000 licences until today there are some 1,200,000 licences in the province. At that time the railways were dead to the issue. They were not paying much attention to the bus and truck competition, but finally they realized it was a factor. The leader of the C.C.F. said that we should work out a transportation policy in this country that would integrate the bus and truck traffic with the railways. In other words it was a mild way of saying that we should nationalize or socialize the whole bus, truck and railway business in this country. That of course would be their policy if they came into power.

I believe that the question of the differential and the question of the equalization of freight rates must be the responsibility of the government, and the government must accept that responsibility. I do not see how the government can go against the board of transport commissioners which has said that there must be a 21 per cent increase in freight rates. I do not see how the government can say to the railways: You are not going to have that increase. The question has been under investigation for over a year. The greatest legal minds in the country appeared before the board for the railways, and against them were arrayed the best legal minds the government could get to refute their arguments. Having heard the evidence and the argument the board decided that there must be a 21 per cent increase in freight rates. In view of that fact I do not see how the government can say to the railways: You are not going to have that increase. But, on the other hand, if the government as a result of this increase decides that there must be a new policy of equalization if there is discrimination as between the east and west and the central provinces, that is a matter of government policy.

This afternoon the leader of the C.C.F. put his party on record as being opposed to increased freight rates. He said that the railways were the bond that bound together the provinces of this dominion. That might have been the case at one time, Mr. Speaker.

Mr. ISNOR: Why not now?

Mr. HOMUTH: Certain promises were made at confederation to provide railway communication between the provinces, and that was done. But we have grown up since then, and today there are much stronger bonds than those bands of steel of which the leader of the C.C.F. spoke. They are the bonds of Canadian nationhood, which have been welded time and time again in the last thirty years, when men and women from every province banded together and went out to fight for the safety of this country. Those are much stronger than bands of steel to bind this country together. I would hate to think that it was only because of economic conditions that we as provinces were banded together into one nation.

Mr. MUTCH: Not on this issue.

Mr. HOMUTH: I come from the province of Ontario and I believe that to build up a nation we must be prepared to give and take. There cannot be any east and there cannot be any west; there cannot be any Quebec and there cannot be any Ontario. We have to be willing to give and take, to give more and take less. If we all adopt that attitude we will get along much better.

An hon. MEMBER: Why do you not practise it?

Mr. HOMUTH: I say to my hon. friend that I have practised it all my political life, which is more than my political friend can say.

This afternoon the leader of the C.C.F. party rose in his place and condemned the increase in freight rates. I remember an occasion some three or four years ago when a few of us, members of all parties in the house, were gathered together. A by-election had been held that day. It looked as though the C.C.F. candidate might be elected, but he was defeated. On the same day a labour organization met in the city of Montreal and passed a resolution stating that they would endorse the C.C.F. as the political arm of labour. A certain C.C.F. member who was sitting with the group said, "Well, we lost the by-election, but look at the tremendous victory we have won. We now have the C.C.L. and the C.I.O. unions of this country adopting the C.C.F. as the political arm of labour." All down through the last few years we have found that the heads of the C.I.O. and the C.C.L. unions have come out and tried to turn the members of their unions into a political field that is foreign to most of them. They have tried to make them vote for C.C.F. candidates. They are forgetting all their trade union principles and are paying more attention to the political arm of labour than to the injustices under which the trade union members may be suffering. Today the political arm of the C.I.O. and the C.C.L. is more important to the leaders of these organizations than fighting for the rights of the men who belong to the unions. Today in this house we have the leader of the C.C.F. party condemning the increase in freight rates, and his great political pal, who he hopes will be able to send

many more C.C.F. members to the House of Commons and to the various legislatures of Canada, Mr. Mosher, says that the increase in rates is not enough; that it should be a great deal more. I realize that politics makes strange bedfellows, but this combination is about the strangest that I have ever seen. It was surprising to me today to hear the leader of the C.C.F. party condemn the decision of the board of transport commissioners at a time when the men who form a great part of the labour unions, and whom the leaders are trying to have pledge their support to the C.C.F., are demanding higher wages and are saying that the only way they can get them is to have the railways increase their earnings.

Therefore, Mr. Speaker, we are in this position. The board of transport commissioners have made a decision. The decision has been made as the result of careful consideration on their part and, I would say, as the result of the argument of the best legal minds in this country and the advice of the best chartered accountants. The case was ably presented to the board of transport commissioners. If the decision of the board means discrimination, if it means unfairness in rates, then it comes back on the lap of the government, and the government must accept the responsibility of bringing down such a policy as will rectify any discriminations there may be. Let us deal with this thing not from a political angle but in a realistic way. Let us realize that our two great railways are two of the most important parts of our whole economy. They have done a wonderful job down through the years, and will do a greater job in the future. Surely we should not stand in this house and condemn them today. Rather we should condemn the lack of policy of the government, if there is such a thing as discrimination, as some of my hon. friends opposite from the east and the west have said.

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

Mr. HOMUTH: Yes.

Mr. KNOWLES: My hon. friend was correct when he said that the leader of this group opposed this increase. Will the hon. member state whether he is in favour of or opposed to the 21 per cent increase?

Mr. HOMUTH: I will say this to my hon. friend, and I have always maintained the same policy. No industry, no business in this country, can adequately pay its employees what they should get unless it has the earnings with which to do it.

Mr. KNOWLES: Is the answer yes or no?

Mr. HOMUTH: Have you stopped beating your wife?

Mr. KNOWLES: Apparently you have not.

Mr. HOMUTH: In closing I say this—

Mr. KNOWLES: Without an answer.

Mr. HOMUTH: I appeal to the government to handle this matter in such a way that we can face the future with a reasonable assurance that there will be no discrimination as between various parts of the country. I appeal to the government to give us a railway policy which will help build up this country as we hope to see it built up.

Mr. ANTHONY HLYNKA (Vegreville): Mr. Speaker, speaking for this group in the house on March 10, 1947, as recorded at page 1229 of *Hansard,* I said that in the matter of freight rates the Social Crediters stated their position clearly in the Alberta brief on dominion-provincial relations entitled "The case for Alberta," published in 1938. I pointed out at that time that in view of the existing discrimination in the freight rate structure against the western provinces, and particularly against the province of Alberta, we advocated a downward revision of freight rate structure for western Canada rather than any increase. I also said that we realized the fact that it was in the best interests of Canada to have an efficient and smooth running railway service; and if it could be shown that the railways need additional revenue to operate efficiently we would not oppose any justifiable adjustment, but definitely not at the expense of the prairie provinces or of any other one section of Canada. I can only emphasize the point that the load should be borne equally by the entire nation; but to determine the financial position of the railways the house should be supplied with accurate figures as to the earnings and operating costs of the railways in order that the members may be in a position to consider this question intelligently. Failing this, Social Crediters have no other choice than to oppose any upward revision of freight rates and to continue pressing for a downward revision of freight rates for the prairie provinces, and for a fair equalization of freight rates for the entire country.

I do not intend to argue at this time the effect which the increase in freight-cost will have on the cost of living in Canada. Suffice it to say that $70,000,000 additional freight-cost will be imposed on the Canadian people in addition to the already high cost of living in this country.

I notice that the spokesmen for the railway companies have stated that they will perhaps need and ask for further increases as time goes by, and several of them have asked what would happen if the railways were to go bankrupt. I do not think any reasonable, responsible Canadian would want to see our railways bankrupt. We believe that, should the railways require additional revenue, they should have it. But as I have pointed out, we cannot support discrimination such as has been practised in the past.

In the Montreal *Gazette* of April 1, 1948, there appeared an editorial which placed before the Canadian people views which in my opinion should be corrected. The editorial stated:

> One of the most important features of this week's judgment of the transport board on railway freight rates was that it upheld the railways' insistence on an inclusive, uniform percentage increase applying equally to all areas of the country and all rates embraced by the decision. Both by inference and by stated conclusions, the judgment unequivocally rejected the vehement, often stormy demands for special favours that would lift or reduce the burden of any increase for the prairie province and the maritimes. The board is to be commended for thus firmly resisting the considerable pressures, political and otherwise, brought to bear upon it to discriminate between different geographic regions and economic categories of the country as a whole. The award upholds the sound principle that the rate increases finally found necessary shall be spread evenly across the general rate structure and borne pro rata by all classes and areas of the national community.

That statement is an interesting one but it is totally misleading. Let me quote two sentences from an article written by the Hon. Stuart Garson, Premier of Manitoba, which appeared in the Edmonton *Journal* on November 22, 1947:

> In the current freight rates hearings before the transport board of Canada, exhibit 131 filed by the Canadian Pacific Railway, shows that in the ten years from 1936 to 1945 inclusive, 65·8 per cent of the operating profits of the Canadian Pacific Railway were made in western Canada. Unfortunately, no comparable figures are available from the Canadian National Railways.

In the light of that statement, I ask you, Mr. Speaker, is there no discrimination, as the Montreal *Gazette* states? Not only that, but let me point out something else. The population of Canada in 1941 was 11,506,655. The western provinces of British Columbia, Alberta, Saskatchewan and Manitoba had a population of 3,239,766, and the rest of Canada, the larger part of Canada, or what we in the western provinces usually call eastern Canada, had a population of 8,266,889.

Now 3,239,766 people in the four western provinces contributed to the profit of the Canadian Pacific Railway Company, in the ten years mentioned by Mr. Garson, 65·8 per cent, while 8,266,889 people contributed, in the same ten year period, only 34·2 per cent of the operating profit of the Canadian Pacific Railway Company. That is the point; that is the pivot on which our argument is based. I want to repeat it because it is the strongest argument and one which cannot be refuted, an argument which totally disproves any contention that western Canada is not being discriminated against—and, of course, the maritime provinces. The fact that 3,239,766 people contribute 65·8 per cent to the operating profit of the Canadian Pacific Railway Company, while 8,266,889 people contribute only 34·2 per cent is an argument that cannot be brushed aside. Let someone answer it.

Let me point out further that the standard rate for first-class freight east of Fort William and Port Arthur is fifty-eight cents for 100 pounds for 100 miles. West of Fort William the first-class rate is sixty-five cents for the same weight and distance. Moreover, discrimination is also practised in applying the process known as "tapering", by which standard rates per mile are reduced on long hauls. On a 500 mile haul in the eastern division this reduction amounts to 25 per cent on the mileage rate for short hauls, while in the west the reduction is only 11·4 per cent; yet long hauls are more common in western Canada than in eastern Canada.

Here are some other important and striking examples of discrimination. Take lumber. A carload of lumber shipped from a Quebec lumber centre, Mont Laurier to Glencoe, Ontario, a distance of 643 miles, pays twenty-three cents per 100 pounds. On the other hand, a carload shipped from Vancouver to Calgary, also a distance of 643 miles, pays fifty cents per hundredweight. Again, let us take freight charges from Okanagan Landing to Calgary, a distance of 358 miles. The cost is $1.04 per hundredweight, while for practically the same distance, from Hamilton to Vaudreuil, 355 miles, the cost is sixty-five cents per hundredweight. Then from Okanagan Landing to Red Deer, 453 miles, the rate is $1.41 per hundredweight, and from Hamilton to Isbister, a distance of 453 miles, the rate is 91½ cents per hundredweight.

On a carload of domestic grain the rate per 100 miles is 7½ cents per hundredweight in the east, fifteen cents on the prairies and seventeen cents in British Columbia. Then again it costs forty-nine cents per hundredweight to ship grain from Streamstown, Alberta, to Vancouver, a distance of 995 miles; while it

costs only twenty cents to ship it from Fort William to Montreal exactly the same distance.

Let me give one or two other examples. A carload of flannelette blankets intended for Vancouver may be sent under a special "cotton goods" rate of $1.75 per hundredweight. A similar carload sent to Edmonton is put in an entirely different classification at $4.53¼ per hundredweight.

An hon. MEMBER: From where?

Mr. HLYNKA: From the east; from Montreal.

The town of Holden, Alberta, is only sixty miles from Edmonton, but it is cheaper to ship eastern goods there via Vancouver than it is to bill them through Edmonton.

Some of these examples I have cited are absolute proof that our freight rate structure as it has existed for many years is out of date and, as the hon. member for New Westminster (Mr. Reid) has stated, should be overhauled. I want to point out that the board of transport commissioners sat on this case for 174 sitting days. If the decision which they handed down is the best they could do in 174 sitting days, I do not know what they would hatch if they continued sitting much longer. We must realize that the time has arrived for Canada to organize her freight rate structure on a sound, scientific basis. This discrimination which has been practised for so long, by placing as much burden on the western provinces as they can possibly bear, has run its limit. I might say, Mr. Speaker, that members and the people in western Canada are not against the central provinces. We are not blaming the central provinces, but we certainly place the responsibility for the freight structure on the doorstep of the government.

The Minister of Transport (Mr. Chevrier) mentioned that the board of transport commissioners was named or set up by this parliament. That is true. But it is also true that the government has the power to overrule any decision of the board; the minister knows that. Surely the time has come for us to realize that the people in western Canada should not be asked to continue bearing the burden they bore during the thirties and of course, since then, with regard to freight rates. Why should three million people pay into the treasury of the railway company by way of freight rates twice as much as eight million pay? There is no justifiable reason for it.

It is pointed out in the press that because the C.P.R. had a deficit of $33,737 for the month of February, the position of the C.P.R. was shaky and therefore western Canada and the maritimes must stand the burden. Let me say this. If I know the people of western Canada at all, this time it will not be sufficient for hon. members to rise in their places and speak for fifteen or twenty minutes or forty minutes and then mail out a number of copies of *Hansard* to their key men and say, "You see, we tried our best, but the government did not do anything about it; they let the board of transport commissioners put it through." That will not be enough this time. My view is that any member from the three western provinces, regardless of the party he represents, or from the maritimes—

Mr. KNOWLES: The four western provinces.

Mr. HLYNKA: Yes, from the four western provinces or the maritimes—if he allows this thing to go through, has no business to go back to those people and ask for support, because he is not representing their interests as well as he should.

Mr. BLACKMORE: He has no business to stay in parliament, even.

Mr. HLYNKA: The hon. member for Waterloo South (Mr. Homuth) stated that the railways needed money to replace their equipment. He also pointed out that the railways rendered a great service to Canada during the war years. That is all true. I do not think anyone in a reasonable frame of mind would deny that. But that does not mean that we in western Canada should have to fork out some more cash to contribute an even greater proportion than before in order to help out the railways. I feel that, as I have already pointed out, the time has come for this government to find ways and means of arriving at some scientific solution to this problem. Surely it is not fair for us to carry this burden any longer.

I notice some headings in papers published in western Canada, and I just want to make a brief reference to this. One of them goes on to say, "West provinces get concession." How do you like that? Then they go on to say, "The prairie provinces received a substantial concession in Tuesday's freight rate judgment." A substantial concession!

Another newspaper goes on to state:

> Western farmers naturally will be pleased with the concession on western grain movements made by the board of transport commissioners . . .

It is almost tragic. Why make or print statements of that sort when we know that the primary producer—that is, the farmer—is the

only one who pays freight on the things he buys and on the things he sells? He pays double, and he is the only one who does that. If hon. members try to find examples of this in the secondary industries, they will not be able to do so. Those industries do not pay freight both ways; not at all. But the farmer must pay it. Then the headlines are put in the paper—to mislead the farmer, to leave that sweet taste with him after he has been given a pill of the rise of 21 per cent in freight rates —that the farmer "has been granted a concession." I say, let us be fair and let us be grown up. I would appeal to hon. members on all sides of the house to take this matter under consideration and solve the problem properly.

I do not object to the leader of the C.C.F. (Mr. Coldwell) bringing this matter to the attention of the house this afternoon. I feel, however, that a question of this kind requires more study on the part of members wishing to take part in debate. Judging from the debate thus far, I would conclude that other members and the leader of the C.C.F. have spoken more effectively on other subjects. Hon. members on all sides of the house would have gained much had they known this matter was to be discussed today, and had they had an opportunity to prepare the material they wished to place before parliament and to place it on *Hansard,* so that the people might read what was said and learn something more about this question.

Mr. KNOWLES: Is the hon. member aware of the fact that the leader of this group did notify each of the other parties in the house this morning that it was his intention to raise the matter of freight rates this afternoon?

Mr. HLYNKA: To give notification this morning that a motion would be made this afternoon does not give anyone much time to study the subject matter.

Mr. BRYCE: You are doing all right.

Mr. HLYNKA: I thank the hon. member for saying that I am doing well. At the same time I feel that this matter requires more study and that we should have access to at least a synopsis of the material placed before the board of transport commissioners. We have not had an opportunity to study any of that material. All we have is a number of clippings from newspapers and briefs sent to us from various provinces. I have one here from Alberta.

Mr. PROBE: Meantime the freight rates go up.

Mr. HLYNKA: I am not blaming any particular group. I am sure hon. members will agree, however, that this matter should have been introduced in a different way so that hon. members might have had an opportunity to prepare themselves to discuss it properly.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I agree with the hon. member who has just taken his seat when he states things are moving so rapidly today that it is difficult for hon. members or the public generally to follow what is taking place. We have got away from the horse-and-buggy stage and are trying to develop a streamlined society. Therefore we have to keep on our toes all the time; that is all there is to it.

However, the subject matter before us this afternoon is not new. The fact of the matter is that freight rates have been discussed in the press for the last two or three years, and we have been told repeatedly that the railways were seeking an increase of 30 per cent in freight rates. I think no apology is necessary for having introduced the subject this afternoon. My recollection is that before the Easter adjournment the Prime Minister (Mr. Mackenzie King) stated that the first order of business would be the discussion of a bill to subsidize gold production. I believe the discussion this afternoon is much more to the point than would be a discussion having for its purpose the subsidizing of a metal dug in Canada and buried in the United States. Surely this discussion is more timely.

I should like to say only a few words for the benefit of the hon. member for Waterloo South (Mr. Homuth). I know what I shall say is out of order, but no more so than what he said. The hon. member was allowed to place his observations on record and to accuse the leader of the C.C.F. of being more interested in the Canadian Congress of Labour and the C.I.O. than in matters affecting the people generally.

Just for a start, let me point out to the hon. member that there is in Canada no such organization as the C.I.O. It is an American organization which has in the Canadian Congress of Labour its counterpart in Canada. It is not a union; rather it is a body having for its purpose the co-ordinating of industrial unionists in Canada and the United States, and the handling of their legislative problems. After many years of experience of going cap in hand to governments, unions very wisely decided that it was about time to send some of their own men into the lawmaking bodies so that they might help to make laws which might be in keeping with their own ideas. And so, just as the manufacturers' association, the chambers of commerce, the National Steel Company of Canada, DOSCO and others have

selected Liberal and Tory parties as their political agents—and contribute to their campaign funds—so the labouring men of Canada, through that industrial organization, in convention and after discussion, decided that they, too, would select a political party.

The hon. member for Waterloo South does not like that; but let me tell him that the selection was made without any solicitation on our part. He tried to show conflict between the statement by Mr. Mosher, head of the Canadian Congress of Labour, to the effect that the increase in freight rates was not great enough, and the statement by the hon. member for Rosetown-Biggar (Mr. Coldwell) in the house that an increase in freight rates at this time was unwarranted.

Surely that should not surprise the hon. member for Waterloo South. I understand that at one time he sat as a labour member in the Ontario legislature. He should know that Mr. Mosher, as head of the railway unions, is the sales agent of the labourers and employees of Canadian railways. As such it is his job to sell that labour power at the highest possible figure. And in this House of Commons the leader of the C.C.F., as leader of a socialist party in Canada the objective of which is a new order of society in this country, is doing his job to fight for the changes in the mechanics of society which would make it unnecessary to do those things such as we are now doing under this present scheme of increasing freight rates.

Mr. CHEVRIER: I am glad the hon. member smiled when he referred to a new order with reference to the C.C.F.

Mr. GILLIS: And I want to pass this into the ears of my Tory friends, that so long as the mechanics of society are as they are today this is the procedure which will have to be taken. It cannot be done in any other way than it is being done today, so long as you stick to this capitalist system of so-called free enterprise. And what you are ranting and raving against today in the light of this increased schedule of freight rates, and the hardship it will create among people throughout Canada, is the very thing for which the people of this country voted when they voted to retain a system of free enterprise, represented by either Liberal or Tory candidates. They are getting what they asked for.

Let me say a further word about communism—because the hon. member also injected that into the debate. I do not care whether it is the Minister of Justice (Mr. Ilsley) or the hon. member for Waterloo South who rises in his place in the house and tries to create the impression that the democratic socialist party of Canada is exactly the same as the communist party of Russia; if either does it, then he is doing this country a great disservice.

Mr. CHEVRIER: The Minister of Justice did not say that.

Mr. GILLIS: And he is doing exactly what was done in Europe. He sowed seeds of suspicion and confusion, until such time as that Mr. Bolsheviki he is so afraid of came in and took things over, because they arose out of the confusion created by men who should have had better sense.

Let me say further to the hon. member for Waterloo South that the only countries in Europe which stood up to Hitler and which have not capitulated to this totalitarian machine of Russia are the countries where there were well developed social democratic parties based upon trade unions and co-operatives.

An hon. MEMBER: Nonsense.

Mr. GILLIS: The people there were welded together politically and economically, and there was no vacuum into which that machine could creep so as to destroy the structure of society. Those Scandinavian countries stood up, as did Great Britain, New Zealand and Australia. And if that development does not take place in this country, despite all this talk about democracy—at least the way it has been talked about from those sources to whom I am directing this little bit of advice—you are apt to wind up behind the eight ball and get the very sort of thing you are afraid of.

Let us get back to this business of freight rates and the Canadian National Railways. My contention is that there are two pertinent points in connection with this whole matter that should be made clear. In so far as the maritimes are concerned I believe that this increase of 21 per cent across the board has destroyed the effect of the Maritime Freight Rates Act.

Mr. CHEVRIER: It has not.

Mr. GILLIS: I am glad to hear the minister say that, but I have in my hand the judgment rendered by the board of transport commissioners in the application of the railway association of Canada on behalf of its member railway companies for authority to make a general increase in tolls and freight rates. I have read this over, and I am going to call the attention of the minister to a part that strikes me particularly, to be found on page

69. This deals with the Maritime Freight Rates Act and it quotes section 8 of the act which reads:

The purpose of this act is to give certain statutory advantages in rates to persons and industries in the three provinces of New Brunswick, Nova Scotia and Prince Edward Island, and in addition upon the lines in the province of Quebec mentioned in section two, together hereinafter called "select territory," accordingly the board shall not approve nor allow any tariffs which may destroy or prejudicially affect such advantages in favour of persons or industries located elsewhere than in such select territory.

When I read that over I came to the conclusion that that practically wipes out any advantage the maritimes may have because of the Maritime Freight Rates Act. The hon. member for Rosetown-Biggar and others have stated that neither the province of Quebec nor the province of Ontario was represented at this hearing because they were not interested. My impression is that the 21 per cent increase in freight rates which will be applied both east and west will not be applied in central Canada, because the competition from trucking companies is so great and the hauls so short in those provinces that if the increase is applied it will simply mean driving business to the trucking companies. I hear a rumour to the effect that the trucking companies are going to jack up their rates by 20 per cent but I do not know how true it is.

In view of the fact that our principal exports are coal and steel, this increase imposes an additional burden in marketing our products in central Canada. I shall go into this further later on. In addition, a large percentage of what we eat and wear in eastern Canada comes from the central provinces. We did have some advantages under the Maritime Freight Rates Act, but in my reading of that small section of the report those advantages are wiped out. I think that is also the opinion of the maritime transportation commission as set out in their representations to the government.

Mr. CHEVRIER: I hope my hon. friend is not arguing that the 20 per cent subsidy paid by the federal government has been wiped out?

Mr. GILLIS: Certainly it has.

Mr. CHEVRIER: I must say definitely that it has not.

Mr. GILLIS: When you speak afterwards you can try to prove that to me, but I am reading now from your report.

Mr. CHEVRIER: You are not reading my report; you are reading the report of the chairman of the board of transport commissioners.

[Mr. Gillis.]

Mr. GILLIS: That is right. I do not blame the minister for wanting to get away from it. The other fellow does not have to run an election.

Secondly, I do not believe that this board had any authority or right to proceed with this hearing or to make that report, and I shall read from the report in order to justify my contention. The board of transport commissioners merely acted in this matter as the agents of the railroads. I quote from page 70 as follows:

Mr. Burchell, one of the counsel for the maritime provinces, contended that the applicant railways had failed to adduce any evidence to show that there has been an increase in the cost of railway operation in Canada between the first day of July, 1927, and the present time and that the board was, therefore, without jurisdiction or authority to permit any increase in freight rates which would include the "select territory" until satisfactory evidence has been furnished of such increased cost. And that this omission on the part of the applicants could only be remedied by a further substantive application on their part for the purpose, and upon due notice to the respondents.

Mr. Cross, a member of the board said:

I must agree with the argument of counsel for the maritimes that the applicants, it may be through inadvertence, did not furnish us with specific evidence, or in any event sufficient evidence, of increased cost of railway operation in Canada over the cost prevailing on July the first, 1927.

According to this report, the board of transport commissioners went ahead and appointed Mr. John C. Lessard—

Mr. CHEVRIER: Would the hon. gentleman read the other three paragraphs?

Mr. GILLIS: Yes. They read:

To require the applicant railways to proceed by way of substantive application, as suggested by counsel for the maritimes, would involve much delay in disposing of the most important question before us. This further delay should, I think, be avoided if it can be fairly done.

The board has, I think, power to investigate and ascertain the facts itself and to make a finding based upon the results of such investigation, and we have proceeded accordingly.

The board instructed Mr. John C. Lessard, its then director of the bureau of transportation economics, to investigate and ascertain the facts, as to whether the cost of railway operation in Canada has increased since July 1, 1927, and if so, to what extent, and to report thereon to the board. These instructions were carried out and Mr. Lessard reported to the board.

My contention is that, in view of the fact that the Canadian National Railways had been contending for at least two or three years that they required an increase in rates, it was reasonable to expect that they would have had their case prepared and in the hands of the board of transport commissioners rather

than the board setting themselves up as a body to investigate the costs of the Canadian National Railways. The board sent in one man and upon that one man's evidence they permit an increase of 21 per cent in the freight rates across this country.

I think it was an absolutely stupid thing to do. I do not think the board of transport commissioners had any right to set themselves up as the agents of the Canadian National Railways in order to gather evidence which should have been placed in their hands by an organization which in my opinion has sufficient economic divisions, research facilities and all that kind of thing to have prepared a report to be placed in the hands of the board.

Mr. CHEVRIER: They have that authority under section 3 of the act.

Mr. GILLIS: This thing was done absolutely wrongly, and it is a serious matter for the people of this country.

Where does the question of provincial rights come in? I understand that seven provinces are opposed to this increase in freight rates. I know that three maritime provinces, working through the maritime transportation commission, have made or are making representations to the government asking for a stay of execution, and I mean execution literally, because this increase is execution so far as the maritime provinces are concerned. It is the final kick in the face for these displaced provinces which will put them on their back. Seven provinces I understand, apart from Ontario and Quebec, have made or are making representations to the government asking that the application of this judgment be withheld for at least thirty days to give them a chance to appeal. I understand that the rates become operative on April 8. Let us take a look at this question of appeal. In order to appeal you must first get permission from the board of transport commissioners—

Mr. CHEVRIER: Better read the act.

Mr. GILLIS: —or you must get the permission of the supreme court itself. Far be it from me to suggest that the board could influence the judiciary of this country. I will not suggest that at all, nor would I suggest that the judiciary might in some cases be political appointees. I think the cards are stacked against the people of this country getting redress along the lines of an appeal. I would ask the minister when he replies to tell the house if he or the cabinet intend to consider the matter of withholding the application of these new rates for at least thirty days in order to give the seven provinces who are dissatisfied with the judgment the opportunity of making an appeal.

What does this increase in freight rates mean to the cost of living? In the maritime provinces it means a lot more than the average member here realizes. For instance, to start with, there is a flat increase of twenty-five cents a ton on coal, whether on long or short hauls. In reality that amounts to a flat increase of fifty cents a ton on most of the coal of the maritime provinces. Take the coal shipped over the Sydney and Louisburg railway. That is a company-owned road, and it comes under the Maritime Freight Rates Act. The company will haul coal from Sydney to Louisburg or from Glace Bay to Sydney and there is a twenty-five cent increase per ton on coal going that distance. Then the coal is transferred to the Canadian National Railways, where an additional twenty-five cents a ton has to be paid. So on practically 85 per cent of the production of coal in the maritime provinces there is a flat increase, not of twenty-five cents, but of fifty cents a ton. In Cumberland county, on the Cumberland railway, and on the Sydney and Louisburg railway—and most of the coal is produced in this area—the two rates will apply. I notice that Mr. Ralston, one of the counsel for the maritimes, made a very strong argument on this point; but all the satisfaction he got, according to the report, was: Oh, there are incidentals like that which will have to be taken care of as we go along. But in the meantime the rates are applied and once they are applied they have the habit of sticking. The time to cure the thing is before the rates are applied. But even assuming that the increased rate was only twenty-five cents a ton on coal, if the minister acquiesces, if he agrees with the board's judgment—

Mr. CHEVRIER: I did not quite follow what my hon. friend said. Did I understand him to say that I was acquiescing?

Mr. GILLIS: You can read it in *Hansard*. If my hon. friend acquiesces—

Mr. CHEVRIER: My hon. friend should not place in the mouth of an hon. member words that he has not used. If I have anything to state on this question I will state it in due course. The hon. gentleman has no right, if he wants to be fair, to place those words in my mouth.

Mr. GILLIS: I was not placing any words in the minister's mouth. He was not listening. I do not blame him for being sensitive. There were a lot of ifs and ands and buts in what I said. I said if the minister acquiesces, if he agrees with this increase of twenty-five cents a ton on coal, even if it were only twenty-five cents but on most of Nova Scotia coal it will be fifty cents, he is acquiescing in an increase

in the fuel bill of the Canadian people of over $200,000,000 a year in freight charges alone.

Mr. CHEVRIER: I am afraid my hon. friend misconstrues this whole picture. The minister neither acquiesces nor refuses. An application is made to the board and it deals with it. My hon. friend is dealing with the judgment of the board now. I wish he would not continually say "if the minister consents, such and such a thing will happen".

Mr. GILLIS: What I am trying to do is to have the minister prepare some pretty good notes so that he will be in a position to make a clear and definite statement to the house when he speaks. I am trying to draw information out of him. I want to know what the cabinet thinks about this thing, because the cabinet is now the only body with power to prevent this rate from becoming operative pending a hearing before the courts of the country. That is why I am addressing the minister. He presides over the department that has jurisdiction over the board; he is a member of the cabinet, and if we can make him see how serious this thing is the chances are that he will appeal to his colleagues from Ontario and Quebec and say: The maritimes have got a bad kicking around already and this increase is a bad kick in the nose to them, so perhaps we had better let up and stagger this thing, transfer some portion of the burden to the central part of the country.

The minister will agree that the maritime transportation commission is headed by capable people. I do not think anyone would consider that body as being political in any way, shape or form. It represents some seventy boards of trade. I have met some of them. I do not know what their politics are and I do not care. I have always believed that they were interested in the part of the country in which they live and that they were continually trying to improve conditions there. They feel very strongly about this increase. Here is a long press statement giving the views of the commission. I presume the minister has read it. I shall not take time to read it, but it points out that this freight increase will add to the cost of living tremendously because there are sections of Nova Scotia where 80 per cent of what the people eat is imported, dragged all the way from the central part of Canada, and this additional freight rate will not only add to the cost of living but hamper the marketing of Nova Scotia's basic materials. The only things we send out of the province are steel to be fabricated, and our coal, which we are trying to get back into the Quebec market which we lost during the war.

As I said, the maritime transportation commission feel very strongly about this increase and they have written much stronger stuff in the press than what I am saying here this afternoon. They say also that the increase in the freight rates, rather than encouraging subsidiary industry which is so badly needed in the maritimes, will back it further and further away. It means a continuation of unemployment; perhaps it means creating more unemployment. The last government figures showed that today 27,000 people are unemployed in the maritimes, and there is not a chance in the world for them to get a job. There was some work for them under the displaced persons program which the federal government operated. Under that program they assisted the people from the maritimes to go to central Canada. Today they have been displaced by the displaced persons whom the government is bringing in from Europe. Our people have to stay at home today and there is no relief and no work. The displaced persons are coming in. I have had complaints about that. They are taking the work that our people ordinarily would be exported to take. I know that is not a nice way to put it, but it is an actual fact. The freight rate increase further aggravates that situation so far as the maritimes are concerned.

I do not think the 21 per cent increase is the answer. I noticed in a press report that in the month of February alone the deficit on the Canadian National Railways amounted to $730,000. If that is true; if that is the monthly deficit on the Canadian National Railways the 21 per cent increase is not the answer. It will bring in only $70,000,000 a year on the basis of the present traffic. If the Canadian National Railways are accumulating a deficit of $730,000 monthly they will still be in the hole. The increase granted is not the answer. One needs to ask, is the railway inefficient? Is it obsolete? Surely, something is wrong with it and it needs to be overhauled. We cannot continue to pile on the backs of the consumers of this country a load of taxation in the form of an increased cost of living—and it is taxation, no matter how you look at it—for the maintenance of obsolete equipment. If there was an answer in this increase I would say, yes, perhaps it is all right; but there is no answer there. The institution is still uneconomic.

As the hon. member for Rosetown-Biggar said, the bonds that hold us together from coast to coast are these bands of steel. They are pretty shaky so far as the maritimes are concerned. I wonder whether the minister has ever taken a ride from Moncton to Sydney.

Take a ride down there some time, but take a belt and a life preserver with you, because you will need the belt when you go around the curves and you may need the life preserver on the strait of Canso. That is a pretty shaky stretch of road. I have never seen the service worse in the last thirty years than it has been in the last year or two. From Truro east, at least, it is terrible. The equipment is obsolete. They have no engines. I came up one night and the train was only five hours late. Why was she late? Well, she was late because she had to stop at Antigonish and leave the passengers on the train while she went away about fifteen miles looking for a car of salt.

Mr. CHEVRIER: The hon. member is certainly roaming around the country, from Social Credit to the C.C.F., from equipment on the eastern division to—

Mr. GILLIS: What are we talking about? Are we not talking about the Canadian National Railways? Are we not talking about an increase of 21 per cent? I am trying to tell the house that it is not an increase in freight rates that we want. What we want is an examination to find out whether or not the operation is an economic one. I am not prepared to say in the house that I will vote an increase of 21 per cent in the freight rates, which I know means an increase in everything that is dragged down to the maritimes, for the purpose of maintaining that kind of machine. There is something the matter with an organization that is going in the hole $730,000 a month, and it needs to be overhauled to see what is wrong with it. Pumping money into that kind of thing is not the answer.

There are two things I want the minister to answer when he rises to speak. First, is it the intention of the government to increase the subventions on maritime coal to offset the proposed increase in the award of the board of transport commissioners?

Mr. CHEVRIER: My hon. friend will have to ask the Minister of Trade and Commerce that question.

Mr. GILLIS: Yes, I have already sent him notice.

Mr. CHEVRIER: He is in charge of the responsibility for subventions on coal.

Mr. GILLIS: Thank you. Since you are in the cabinet I thought you might know something about it. I intend to ask that question when we get to the orders of the day, but it has now been answered.

My second question is, has the cabinet considered, or will it consider the appeal made by the seven provinces of Canada which are opposed to this increase that there be a stay of execution for thirty days to give each of these provinces an opportunity of appealing to the courts of the country against this proposed increase? I shall be obliged if the minister gives us that information.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, I do not propose to deal with the evidence as prepared and presented by the legal representatives of the various provinces, nor do I feel what I shall say will have any effect on the decision of the board of transport commissioners. However, since the west, through the hon. member for New Westminster (Mr. Reid), has spoken on behalf of British Columbia, I thought I should add my voice from the east with regard to the reaction of the people of that section of the country.

Like other hon. members, I have just returned from my constituency. When this decision was made known I was in Halifax. I hope that the motion which was introduced today by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the remarks of the various hon. members, who have presented their views from various angles, will have some effect on the board of transport commissioners. If not, I hope and I believe that it will have some effect on the government in making them realize that this action is not one which is well received in other than the two central provinces of Ontario and Quebec.

I think the point has been well taken by other hon. members that there was really no reason for Ontario and Quebec to present an argument against this increase. We all know that the industrial activity of our country is centred in these two provinces, and largely in Ontario. The same is true of our population. Quebec has a population of 3,331,882, while Ontario has a population of 3,787,655, or a total of 7,119,537 in these two provinces out of 11,500,000 people. The figures I have quoted are taken from the 1941 census. Very largely the same proportion exists today. Therefore I say I am not approaching this problem from the point of view of a legal argument, or as to whether the railways were justified in asking for an increase of 30 per cent.

As a businessman I recognize what has been said by the hon. member for Waterloo South (Mr. Homuth), that unless you have sufficient revenues you cannot operate successfully. That is recognized, but I do say that is a problem which the government must face if they are to carry out the very foundation of

confederation. Using the same words that have already been used twice before, I believe that we should have something stronger than steel rails connecting east and west, and I agree with those who say that the whole economy of our nation is founded upon the individual economy of every province. You cannot have a prosperous central Canada, Ontario and Quebec, at the expense of other sections of the country. I do not say that in any unkind spirit with reference to the progressive and aggressive manner in which Ontario has gone about its industrial activities. I say it rather to point out that there are, in the extreme east and in the extreme west, disabilities that must be overcome.

I do not propose to deal with the political issue introduced by the hon. member for Waterloo South, nor shall I discuss the reply made by the hon. member for Cape Breton South (Mr. Gillis). All hon. members know my position with respect to free enterprise and competition. In this regard I differ from some hon. members, because I believe that competition will bring about greater efficiency and, in consequence of that increased efficiency, greater economy.

The Canadian National Railways are a publicly owned railway system and, because of the large returns secured in 1947, the people of the maritime provinces find it a little difficult to understand why this large increase was found necessary. A Canadian Press dispatch from Ottawa on April 4 stated:

> Canadian rails move largest peace freight.
>
> Canadian railways last year carried the highest volume of freight ever moved in peacetime, the bureau of statistics reported. The railways moved 152,705,000 tons of goods in 1947. The total was exceeded only in two wartime years, 1943 and 1944, when 152,942,000 tons and 154,845,000 tons were transported. A gain of 14,000,000 tons was reported over 1946.

Then they refer to the freight which was carried. The largest increase was in grains, ores, petroleum, lumber, iron, steel, building materials, automobiles and newsprint. If you consider the freight carried you will find that the great proportion of it originates in central Canada. As regards automobiles, we are all aware, of course, of the large amount of freight which is carried by the railways from the automobile districts. Declines were shown in the movement of hay, straw, apples, cattle, sheep, wool, coal, coke and fresh fish, and these are products which come from the maritime provinces.

You will see why we in the maritimes are concerned about this increase. I do not propose to discuss the various royal commissions which have looked into the economy of the country, particularly as related to the maritimes; but we do know that from time to time, without exception, before every royal commission that has investigated this subject the question of transportation from east to west has been a very live issue. Later on I shall read from one or two of the recommendations and findings, but it is generally accepted that there has been and is a disability, so far as transportation is concerned, from the point of view of the maritime provinces.

My approach to the consideration of this question is from the point of view of the promise that was made to us at the time of confederation. There is no question that we were given to understand, at the time of confederation in 1867, that we would have a line of communication whereby we would be able to trade with other parts of the country, and the reason advanced then was that it would improve the economic position of the east, and also promote settlement in the west. It did precisely that, so far as the west is concerned, because it resulted in carrying people to the west and to central Canada, and it was only natural that, with the large increase of population they had, they should gradually become an industrial centre.

With that background I feel justified in making this statement, and I do not as a rule use harsh terms. I say that there was a grave violation, if not of the terms of the confederation, at least of its spirit.

Mr. BLACKMORE: Hear, hear.

Mr. ISNOR: I repeat that there was a violation of the spirit of confederation, and that conviction is shared by people in the maritime provinces. I cannot speak for all the maritimes but I can speak, I believe, for many sections of Nova Scotia. During the Easter recess I came in contact with people in many parts of the province and without exception they were bemoaning the fact that this was one more burden added to our part of the country.

Mr. HAZEN: And New Brunswick too.

Mr. ISNOR: I said I could not speak for all the maritimes but I am sure the hon. member can speak for his section. I think, therefore, I can say that the people in the maritime provinces generally feel that this is one more burden added to the cost of living, as the hon. member for Cape Breton South has pointed out; and the same is true for British Columbia, the hon. member for Fraser Valley (Mr. Cruickshank) says.

I doubt very much whether I can offer a solution. Those with greater knowledge than I have have studied the question and the board

of transport commissioners decided that a 21 per cent increase was necessary. They based their finding, I believe, purely on revenue and expenditures. I feel quite sure that the board of transport commissioners in carrying out their duties viewed the whole picture as it was put before them, studied all the evidence, and based their findings upon revenue and operating expenses. I do not believe the factors brought out by the hon. member for Cape Breton South or even by my friend Mr. Burchell of Halifax were so important except from the legal angle. We cannot help realizing that there has been a large increase in cost. All one has to do is to look at one of the older reports and at one of the recent reports and he will see at once that there have been increased expenditures across the board in supplies, salaries and everything else. That is not so important from my point of view. From my point of view, what is important is the question of trade connections which must be maintained throughout all parts of Canada, and that is a matter which, I suggest to the minister, and through him to the cabinet, should be given serious consideration.

In the construction of trans-Canada railway lines east and west, I believe the fathers of confederation had that in mind. It was not merely a question of carrying passengers but the effect which the construction of railways would have on every part of the country. I think we should bear that in mind. I do not know just what solution can be offered. As a rule I do not believe in subsidies.

Mr. BLACKMORE: Why not? Tell us why you do not believe in subsidies.

Mr. ISNOR: If the hon. member will be good enough—

Mr. BLACKMORE: I do not insist, but really, after all, it is a matter that ought to be dealt with with some intelligence and I expect the hon. member to have that intelligence.

Mr. ISNOR: If the hon. member had followed my words he would know I said that as a rule I do not believe in subsidies because I do not believe in artificially building up any industry. I might say for his benefit that we have that to a certain extent in central Canada. We have that through the tariffs. That is the artificial building up of an industry. I believe somewhat the same principle applies with regard to subsidies.

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

Mr. CRUICKSHANK: Oh, no.

Mr. BLACKMORE: I should just like to ask this simple question. It is a simple one, but we must face it. What device has the hon. member to suggest as a means of offsetting, in respect of the maritimes and the western provinces, the effect of these tariffs?

Mr. CRUICKSHANK: I will answer that later.

Mr. ISNOR: I thank the hon. member for his question, Mr. Speaker. No doubt he, with his usual wisdom, will be able to throw some light on his own question at some future time.

Mr. BLACKMORE: I am quite ready to do that.

Mr. ISNOR: If I may proceed, I should like to do so. I say that if something is not done in the form of subsidies, then our whole railway structure must have a thorough overhauling. Perhaps this is far-fetched, but we are able to deal with postal matters from a central point. We are able to give a rate whereby no particular section is penalized except in the case of the east and west with regard to air-mail service. Therefore I say it might be possible for the board of transport commissioners or the government itself to consider whether the whole railway structure should not be revamped so as to bring it more in line with a service to the country such as that given by the postal department. I know that thought is a little bit new to the hon. member who asked the question, but it is worthy of consideration. As he usually gives these matters study, I would suggest that he spend this evening and perhaps some time tomorrow in thinking it over. Perhaps he may be able to enlarge on my thought, and maybe the government will accept our joint suggestion that they revamp the railway structure with that thought in mind.

As you can see, Mr. Speaker, I have no prepared speech. I have always wanted the C.P.R. to go into Halifax because I felt that with competition there would be great efficiency and better service, and perhaps it would stir up the C.N.R. so that they would not have those bumpy roadways referred to by the hon. member for Cape Breton South. He is either right or wrong. He must either agree with me that competition is a good thing, or he must put up with public ownership and take the bumps over the bad roads which we have in our end of the country.

Mr. KNOWLES: Ask the hon. member for New Westminster for his views.

Mr. ISNOR: What I say applies to each and every member who wishes to develop the subject. I feel that the hon. member for

Cape Breton South was just a little bit off the track when he said what would happen. If we had only one railway and they decided to put a 30 per cent increase into effect, they would simply put it into effect, and that is all there would be to it. That would be the type of public ownership which he would advocate. Instead of that, we heard not only one or two railways but representatives from all the railways in Canada who wished to appear before the board, representatives from the provinces and individual citizens. As a result of that there was an award not of 30 per cent but of 21 per cent. This does not go into effect until April 8. I am going to offer some further evidence and perhaps some kindly advice in such a way that I am hopeful that it will not go into effect on that date.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ISNOR: Mr. Speaker, when the house rose at six o'clock I had already placed before hon. members my views with respect to the increased freight rates announced by the board of transport commissioners. I had almost concluded my remarks, with the exception of summing up. It will be recalled that I had covered briefly the background of our transportation system from confederation in 1867 to today. I do not propose to go over that ground again, or to do more than briefly refer to one or two of the recommendations which may have been made. I had also given the reasons for the linking up of the provinces as outlined on more than one occasion by those who appeared and presented briefs before the various commissions which have been held to consider this question.

I had referred to royal commissions held from time to time which dealt with the disabilities of different sections of Canada and which had emphasized particularly those of Nova Scotia. I emphasized that not only should questions of revenues and expenditures be considered, but that trade and equality in all sections of the country—not in any particular one alone—should be taken into consideration.

Mr. BLACKMORE: Would the hon. member speak more loudly? He has friends down here.

Mr. ISNOR: You are a long way off.

Mr. BLACKMORE: We are supporters of yours.

[Mr. Isnor.]

Mr. ISNOR: I am pleased to know that; the hon. member has always been most kind when I have taken part in debates.

I referred to the fact that not only was settlement in the west promoted by the building of the railways, but that also activities in the east had been stimulated. Railway connections with the prairies gave a tremendous degree of assistance to the industrialization of Ontario and Quebec, and to the coal and steel industries of Nova Scotia as well as to lumbering in British Columbia. The railways in effect reduced the vast size of our country to one of reasonable proportions.

I had drawn attention to recommendations made in 1926 to the royal commission which dealt particularly with disabilities affecting Nova Scotia. May I quote briefly from the economic inquiry of 1934, which closes with this passage:

It was partly for this reason that, in 1926, the royal commission on maritime claims was appointed. In its report the commission makes the following statement:

"We have come very definitely to the conclusion that the rate structure as it has been altered since 1912 has placed upon the trade and commerce of the maritime provinces (a) a burden which, as we have read the pronouncements and obligations undertaken at confederation, it was never intended it should bear; and (b) a burden which is, in effect, responsible in very considerable measure for depressing abnormally in the maritimes today, business enterprise which had originated and developed before 1912 on the basis and faith of the rate structure as it then stood."

Thus we see that the claim of the maritime provinces, and in this instance more particularly that of Nova Scotia, was recognized. And it is because of that recognition we are fearful today of the effect this increased freight rate will have upon the economy of our section of the country.

Another brief prepared by the late Norman McL. Rogers and presented to the royal commission on the disabilities of Nova Scotia within the Canadian confederation stated as follows, in reference to the handicap under which the province of Nova Scotia was operating:

This handicap, arising in part from the interrelation of tariff policy and freight rates, appears to have been recognized by the royal commission on maritime claims in 1926, although the phraseology used by the commissioners would seem to suggest that it was recognized more particularly in relation to producers of the maritime provinces who wished to market their goods in central Canada. In section 2 of the report of the royal commission, the following references may be quoted as bearing upon this question:

"In addition, the case which the maritime provinces have already submitted to the railway commission also raises the question of handicaps

arising from the geographical position of their natural products and their distance, generally, from the central markets."

I have every reason to believe that the reference to "central markets" is a reference to the markets of Ontario and Quebec, to which I referred on more than one occasion this afternoon. Then, to continue with the quotation:

"We are far from suggesting that there should be interference on the part of the railway commission with the business judgment of the railway companies, or that there should be any confusion between trade development that can reasonably be expected from the railway rate structure, and trade development that must be a matter for public or government responsibility quite apart from rate structure."

I pause there to repeat to the Minister of Transport (Mr. Chevrier) the two words "government responsibility" as they appear in this report.

I felt I was justified in bringing this matter before the government today in the hope that not only would it consider the revenues and expenditures of the railway systems as placed before the board of transport commissioners at board hearings, but rather that it would deal with the matter from the point of view of the effect it would have upon all sections of Canada, and particularly, of course, upon Nova Scotia and Halifax, which I have the honour to represent.

In closing, may I place greater emphasis upon what I said this afternoon. Our transportation system is the means of linking the economic activities, developments and progress of our country. It must not be considered from the point of view of revenues and expenditures only; but matters of trade, and the effect which certain procedures may have on our trade expansion in every section of Canada, and not only the central section, must be considered.

I made reference this afternoon to the effect the change in rate is having on the extreme western section of our country, and in this I have supported the thought expressed by the hon. member for New Westminster (Mr. Reid). I say again that the same effect is being felt in the maritimes. Apart from the financial and legal aspects of the case as presented by seven out of the nine provinces, I submit that the spirit in which we entered confederation should ever be kept before us if we are to have a united, contented and satisfied nation.

I opened my remarks this afternoon by saying that I did not know what effect any remarks of mine would have in delaying the bringing into effect of the increases on April 8, but I felt that at least I was doing my duty in placing the views which I held, and which I believed were held not alone in my native province of Nova Scotia but from the information given me by hon. members from other provinces, throughout the whole eastern maritimes. I ask the Minister of Transport and, through him, the government to give serious thought to the suggestions I offered this afternoon with a view to either holding up this increase or formulating some plan to offset the ill effects which I believe will be felt in the extreme sections of our country.

Mr. McIVOR: Does the hon. member believe that any increase in freight rates will affect the high cost of living? If so, does he not believe that that argument alone should cause the government to consider these freight rates?

Mr. ISNOR: The hon. member has asked me, not one question but two. I think I would be quite satisfied with the answer he has supplied. I know the hon. member's intentions are good. There is no question in my mind that overhead, operating expenses and carrying charges are bound to be reflected in the cost of goods. If the cost of goods is increased, naturally the consumer will have to pay more.

Mr. P. C. BLACK (Cumberland): Mr. Speaker, this is a subject which is important to all Canada and particularly important to the maritime provinces. I arrived back from Nova Scotia only an hour before the house convened this afternoon. I did not know this subject was coming up and I did not have an opportunity to make any preparation. However, I feel that I should express my views. I am particularly pleased to be associated with the hon. member for Cape Breton South (Mr. Gillis) and the senior hon. member for Halifax (Mr. Isnor) speaking after each other and joining forces in giving the viewpoint of our part of Canada.

I do not think this important matter should be discussed under these conditions. We should have had some notice. As far as I am concerned, I have not had an opportunity to get a copy of the finding of the board of transport commissioners. I think every hon. member is entitled to have had a printed copy so that he can examine it and not have to rely upon casual references in the press. Before we were called upon to discuss this matter we should have had a pronouncement of policy by the government. The minister may say what he likes but the government cannot divorce themselves from responsibility in the subject we are now discussing, as the board of transport commissioners is appointed by and responsible to them.

As far as the maritimes are concerned, this is not a political matter. It is certainly not a political issue in Nova Scotia; it concerns our economic existence. We have certain transportation rights which have been recognized by commissions that have studied the matter. We have had to fight for those rights, but our rights were recognized to some extent when the Duncan report was brought down and we were given a concession of 20 per cent by the freight rates act of 1927.

The Duncan commission was appointed in 1926 at the instance of the then provincial government of Nova Scotia. There is nothing that gives me more satisfaction than my connection with the appointment of the Duncan commission and the presentation of our case to that commission. The commission was headed by Sir Andrew Rae Duncan who was brought to this country in the first instance by the province of Nova Scotia to deal with a number of difficult coal questions. He was afterwards reappointed by the federal government of that day headed by the present Prime Minister (Mr. Mackenzie King). He had associated with him Doctor Macmillan, who was a member of the last parliament. I have every admiration for him and I do not think he has been given due credit for the part he played in bringing down the Duncan commission report. There was also Judge Wallace, an outstanding Nova Scotian who has since passed away. They brought down their findings in 1926.

We had been denied transportation rights and excessive costs had been imposed upon industry and production in the maritime provinces. The commission also brought in findings recommending the payment of increased financial subsidies. As we set out in the order in council appointing the commission, it was set up at the instance of the government of Nova Scotia, headed by Hon. Mr. Rhodes. The late Hon. Gordon Harrington did most effective work in this connection.

Since the report of the board of transport commissioners was brought down a few days ago the Premier of Nova Scotia has taken a strong stand. I should like to read a few paragraphs from a report which appeared in the Halifax *Herald* of April 3, as follows:

Premier Angus L. Macdonald is looking to the federal cabinet to prevent the 21 per cent rise in freight rates which would have cost Nova Scotians approximately $4,000,000 a year but, if Ottawa does not act, he said, the maritimes and the four western provinces should join in an appeal from the granted increase.

He made his views known in the provincial legislature yesterday, warning that "the cost of living in all parts of the country, and particularly in the maritimes and the western provinces, will rise if the increases," set out in the decision of the board of transport commissioners, went into effect.

"I believe that the government of Canada should act to prevent the proposed increases coming into force. If the governor in council (federal cabinet) does not intervene, then all the interested provinces should join in an appeal from the board's decision," he declared.

No language could be stronger than that in pointing out the responsibility of this government with respect to the finding of the board of transport commissioners. Again I say the government should make some statement as to their policy before we should be called upon to discuss it.

At the time of the "maritime rights" agitation in 1923, 1924, 1925, 1926, and 1927, the Halifax *Herald,* operated by the Hon. Senator Dennis, was most active in pressing the claims of our province, and it has been consistent all through the years. After the recent judgment of the board of transport commissioners, the Halifax *Herald* had a front page editorial from which I should like to quote a few paragraphs. It said:

It is set out in the Maritime Freight Rates Act, 1927, that the Duncan commission of 1926 "made certain recommendations respecting transportation and freight rates, for the purpose of removing a burden imposed upon the trade and commerce of such provinces since 1912, which, the commission finds, in view of the pronouncements and obligations undertaken at confederation, it was never intended such commerce should bear."

The editorial continues:

And in giving effect to the recommendations of the Duncan commission, government and parliament wrote this into the Maritime Freight Rates Act as one of its most vital provisions.

It goes on to quote from the act passed by this parliament:

The purpose of this act is to give certain statutory advantages to persons and industries in the three provinces of New Brunswick, Nova Scotia and Prince Edward Island, and in addition upon the lines in the province of Quebec mentioned in section two (together hereinafter called "select territory"), accordingly the board shall not approve nor allow any tariffs which may destroy or prejudicially affect such advantages in favour of persons or industries located elsewhere than in such select territory.

No words could be plainer than that. The editorial continues:

The Maritime Freight Rates Act not only established statutory rates as a measure of justice to the maritimes—to remove a burden "it was never intended such commerce should bear" —but gave specific directions to the board of railway commissioners (now the board of transport commissioners) that the position established by the act should not be disturbed.

In granting the freight increases just announced, did the board of transport commissioners take into account the spirit and letter

of the Maritime Freight Rates Act? Did the commissioners have before them constantly those words of the act which state clearly that they "shall not approve nor allow any tariffs which may destroy or prejudicially affect such advantages (to the maritimes) in favour of persons or industries located elsewhere than in such select territory"?

I shall not quote further. I would point out that the Premier of New Brunswick and the Premier of Prince Edward Island have also taken a strong stand along with the Hon. Mr. Macdonald, Premier of Nova Scotia, against these increased freight rates. The Halifax *Herald,* the Halifax *Chronicle,* the Sydney *Post-Record,* the Amherst *News,* and all the weekly papers in the province of Nova Scotia are equally outspoken.

The hon. member for Cape Breton South this afternoon pointed out the unfairness of the increased charge on coal. That is a particular hardship in my county of Cumberland. All the coal is transported over two railways and if each makes an additional charge of twenty-five cents a ton for carrying this coal, it will almost double the freight on the short hauls. The coal industry in the province of Nova Scotia appears to be suffering at many points. The costs are already so high that the ordinary householder has difficulty in paying his fuel bills as compared with a few years ago. All the steps that have been taken seem to have been prejudicial to the coal industry of Nova Scotia.

Under the Geneva trade treaty, which we have not yet discussed in the house, the duty on coal entering Canada from the United States is to be materially reduced. That duty was increased at the time of the coal subventions for two purposes: first, to give the maritime provinces and Alberta, a better opportunity to compete with imported coal; second, to provide extra revenue to pay the subventions. We have heard in this house and in the country about the cost imposed on the taxpayers of Canada for subsidies. Well, this particular subsidy was met by the increased duty on coal coming in from the United States. But that increase is now being wiped out under the Geneva treaty being presented by the government. We were not consulted about that; the coal industry was not consulted; I do not think the hon. member for Cape Breton South representing a coal county was consulted, and I know that I was not consulted, but I represent an important coal area. Every step that is being taken with respect to coal appears to be prejudicial to the interests of our province.

The maritime provinces, particularly Nova Scotia, have taken this question of freight rates very seriously from the beginning. They were represented by able counsel at the hearings of the board of transport commissioners, by the Hon. Colonel J. L. Ralston, Mr. Charles Burchell, K.C., Mr. Rand Matheson, secretary or manager of the maritime transportation commission, acting for all the maritime provinces. If the freight rates are to be increased locally and on all that we ship to or buy from the rest of Canada it will impose an almost intolerable burden on the people of the maritime provinces.

I came up here on the train yesterday with one of the heads of the stove industry in the maritime provinces. They are producing stoves there and shipping them all over Canada, to South Africa and to other parts of the world. Some of the steel plates and materials they use come from central Canada, and this freight rate increase will make it more difficult for our stove industry to compete in central Canada and elsewhere. Under this new freight rate tariff the maritime provinces have to pay both coming and going. No new industries have been established there during the war with post-war potentialities and none have been established since, although strong efforts, which I hope will be successful, are being put forward at the present time to induce some industries to settle in the maritime provinces.

I spoke on the budget last year and it is of interest to quote a paragraph from my remarks of that day, May 20 of last year. I said:

> Nova Scotia must indeed have great wealth as well as great thrift, or it would not have the capacity to purchase the long list of articles and commodities from central Canada totalling many millions of dollars every year with a minimum of reciprocation. The heads of industry and bankers marvel at our purchases of motor cars, trucks, tires, batteries, farm machinery, cement, electric motors, tobacco, sugar, flour, radios, medicines, tools, jewelry and a hundred and one articles, and still we are able to educate our boys and girls so that they may be enticed away from home to take places at the top all over Canada. We are now told that there is to be a big increase in freight rates on our purchases and sales. We in the maritimes threw in our lot with Quebec and Ontario and, if they are to supply us with our necessities such as motor cars, trucks, cement, farm machinery, electric motors and such articles, I think we have the right to have them delivered to us freight paid at the lowest factory prices.

These remarks were made almost a year ago, and they were referred to in an earlier debate this session by the hon. member for Queens, Prince Edward Island (Mr. McLure), when he said there should be what he called a "stamp freight" rate for our provinces, so that if we are to be dependent upon motorcars and

this long list of articles produced in central Canada, we should have them delivered to us at the lowest factory prices. That was also pointed out by a speaker today. We seem to suffer on all sides and on all occasions. I was interested to read a Canadian Press dispatch from London which had to do with farm implements. I pointed out in my remarks a year ago that all our farm machinery in Nova Scotia is imported from central Canada and we pay the freight. This is the press dispatch:

Massey-Harris Plans Factory in Scotland. London, Nov. 22—(C.P.)—The London *Evening Standard* said today that the Massey-Harris Company plans to open another factory in Britain and is negotiating "with the government for a site at Kilmarnock (Ayrshire), a development area."

The newspaper said the plant will turn out machinery for the government's £25,000,000 ($100,000,000) peanuts production scheme for Africa "but there will also be more machines for the home farmer."

James Duncan, president of the company, who flew to Canada from London tonight, told a press conference last Monday that he was studying plans for expansion of the company's manufacturing activities in the United Kingdom.

How is it that in the maritime provinces we have to buy every dollar's worth of farm machinery from central Canada? We never hear of these people coming down to the maritime provinces and building a subsidiary factory there. They go to other places in order to get their markets and an outlet for their production, but they do not come to the maritime provinces. They take it for granted that they will get that market anyway and we are going to pay the bill. It is a marvel to me, our bankers and everybody else in the maritime provinces that we are able to pay for the importations from the rest of Canada and keep reasonably prosperous.

There are other matters to which I could refer. Take cement. All the raw materials to produce cement are found in the maritime provinces, but we have to import our entire requirements from central Canada and pay freight. We have to send our hard-earned money away, and our labour have to go also in order to produce the material, part of which comes back to the maritimes provinces. The Canada Cement Company is a strong industry and produces a good product. We have no complaint against that company. Its manager was a barefoot boy who came from my county of Cumberland. His name is J. D. Johnson. When he was in his teens he applied to a local lumberman for a job in the woods in the winter. The lumberman said, "No, I cannot take you, you are too young. You will have to get a letter from your father." He got permission from his father. He came out of the woods in the spring with forty odd dollars and reported to Mr. Livingstone who had hired him. Mr. Livingstone asked him what he was going to do with the money. He said, "I hear that Montreal is a big place and there is lots of work there. I am going to Montreal." He went to Montreal. He is now head of that great industry, and on boards of banks, other industry and philanthropic institutions. He was raised from good stock by the sea and the hills of Nova Scotia as were many other successful men.

I might refer to the Hon. Doctor Charles Eaton, who has taken perhaps the most prominent part of any statesman in the world in recent months with regard to the united nations and the Marshall plan. Cyrus S. Eaton was also brought up near where Mr. Johnson was. He went off to central Canada, and then went to the United States. Now he is one of the great financiers, philanthropists and industrialists of this continent, one of the great men of the United States. Another companion was Doctor David Stuart from the same surroundings, who went to New York and became one of the greatest surgeons in the United States.

I am wandering from my subject, Mr. Speaker, but I just want to point out that conditions such as those under which we have existed in Nova Scotia compel us to contribute at every turn. We have been contributing from the time of confederation. As pointed out by the senior hon. member for Halifax (Mr. Isnor), confederation would never have been put into effect if we had not been promised the Intercolonial railway and cheap transportation to connect with central Canada. According to the spirit of confederation, we are entitled to the most favourable transportation, but we are being penalized.

Transportation is stifling our activities in the maritime provinces. The railroad from Truro to Sydney has been before this house on many occasions. I have spoken of it several times. The condition of that road would not be tolerated in any other part of Canada.

We have been trying for sixty years or longer to have the Chignecto canal built, which would be a great transportation project and encourage industry and production. If it had been located in central Canada it would have been built years ago.

Perhaps I should not say this, and there may be some in the maritime provinces who would object to my making this suggestion, but I would be willing to give preference to building the Canso bridge or causeway in order to give modern transportation by highway and

by rail from the great industrial and mining sections of Cape Breton to the main part of Nova Scotia and to the rest of Canada.

I do not think there is very much more I need say. I know there are other hon. members who want to speak. I know my seatmate, the hon. member for Royal (Mr. Brooks) wants to speak; but I think hon. members ought to allow time for the minister to make some pronouncement on government policy before the house rises. Hon. members should stop the discussion at whatever time the minister requests in order that he may tell us the stand of the government with respect to the finding of the board of transport commissioners.

Again I point out that there is not a subject of greater importance to the maritime provinces. We have some special rights, and the producers and industrialists are apprehensive of the effect upon our future if this increased freight rate is put into force.

Mr. LESLIE A. MUTCH (Winnipeg South): The subject of this discussion, Mr. Speaker, is perhaps, I would say certainly, the most important of the subjects which are likely to be discussed by this house in the remaining weeks or months of this session. To my mind, it is a shocking commentary on what happens to public business when you find such an important question as this treated with the lightness, if I may say so, with which this discussion seems to be treated, not by those who are here and who have expressed their views, but in the casual sort of attitude of the house as a whole.

This is a question which in my opinion should not have come before the house by this method. While I give full credit to the hon. gentleman who introduced it, in order to get it before us and to get it before us promptly, I would have felt better about the situation if the seriousness of the issues at stake had been recognized by the government itself and if some facility had been given for a free and full discussion of the matter.

A year ago when some members from the west rose and by one device or another, almost by subterfuge, managed to introduce the question of the then impending rise in freight rates, we were told quite properly that the matter was *sub judice* and that we could not properly discuss it at that time. Some of our western members said publicly, and more of us said privately, that that kind of treatment, not only by the government but by the house as a whole, was not good enough for an issue which was of primary importance to at least seven of the provinces of the dominion. I shall be perfectly frank in saying I regret very much that it has not been until now that the opportunity has come, and that it has come suddenly after the announcement which was made during a time when the members of the house were away and presumably otherwise occupied. I regret that we have had so little opportunity to read, study and digest the awful implications of what is threatened in the implementation of the report of the commission.

This is an example of what happens when the ordinary functions and responsibilities of government are delegated to boards and commissions comprised of experts or nominees of governments themselves. I have had some previous experience with boards and commissions and this experience strengthens my opinion in that respect.

This is not to be interpreted as an attack on the board. My remarks should certainly not be taken in that way. I am not sufficiently familiar with either the facts or the individuals themselves to lay such a stricture against them at this stage, but I do say that this is the sort of mess we get into when we leave matters of policy, which gravely affect the welfare of the country as a whole, and our relationships with each other in the provinces, to non-elected bodies.

I think I speak for the people of Manitoba when I say that we believe no case was made for an increase in freight rates at the present time. That is not to say that all of us believe or hold that the railways do not under the present circumstances need more money. I believe they do. My limited knowledge of the operations of the railroads and my general knowledge of other business would lead me to think they probably do. The thing that concerns me most gravely with respect to this question is that we are drifting on, continuing a practice which has prevailed throughout the years, some fifty or sixty years, and we are meeting a recurring situation by methods which in the past have only succeeded in aggravating it.

At the present time, in the limited time there is before us, I think we should take first the short view. We are faced with a situation which is urgent and imminent, and I would say to the government of the day that the first thing to do is to make sure that this award of 21 per cent is not implemented until such time as there has been the fullest opportunity for appeal. When we were told that the matter was *sub judice* and that we could not talk about our grievances with respect to freight rates a year ago, before the award was made, it certainly is a bit out of order and off colour for the railways to be collecting the award before there is an opportunity to appeal it and while it is still under consideration.

There is a second point in connection with the short view which I would emphasize, and it is this. As far as the prairie provinces are concerned, this 21 per cent increase is a direct charge on the farmers of the prairies at a time when they are hampered in their attempts to offset and to meet it by being under a series of prohibitions and controls which make the levy most onerous at the present time. I do not care whether you call these controls agreements or export embargoes, or what the device is by which you limit the amount the producer can get for that which he has to sell, or when his markets are restricted in which he is able to sell that which he produces. That, by whatever name you call it, is in effect a control. Therefore, if it should be that this cause is finally lost; if the protests of the seven provinces are not to be heeded and there is to be this added burden, this aggravation of what some of us in the western part of Canada are coming to regard as a second-class citizenship; if that is to be the case, then I urge, with all the earnestness I can command, that this increase be not imposed until such time as those in western agriculture are freely able to sell those things which they produce for what they can get for them in whatever markets they may seek.

There is a long view. I said at the beginning that in my view a clear case was made out against the need of relieving the financial situation of the railroads by the imposition of higher freight rates now. I do not suppose there is in the business world anywhere today anything quite so haphazard, unscientific and un-understandable as are the current schedules of freight rates. I have had the experience in committees of this house of having highly placed officers of the railways admit that freight tariffs have simply grown like Topsy and that they are complicated, unscientific and unwieldy.

I venture to say that there are not more than half a dozen lawyers in the Dominion of Canada who are qualified to interpret with authority the rate structure of either railroad. I doubt very much whether there are half a dozen. I have some knowledge of the business world, and people in our part of the country who are in business are frequent and continuous users of freight transportation. Any firm that is doing business to any considerable extent and is shipping is simply crazy if it does not retain, as in fact it does retain at substantial salaries, men whose job it is to keep in touch with the freight rate structures and to find out how they can do business and what it will cost them to do business. There are classifications and cross-classifications. I have looked at them. The last volume I saw was a thick one, the so-called revised edition by one railroad. No one person on earth knew what was in it. The railroads themselves maintain, at every major shipping point in this country, men whose job it is to pass on these rates and classifications. All credit to the railways for that. The instructions which these men have are that they shall see to it that the shipper gets the best deal under the freight rates which are available to him and to make helpful suggestions. Because of the fact that they are as complicated as they are, that is the situation.

I have not dealt for the moment with the regional discriminations, with the horse-trading and the dealing which has taken place over the years with respect to local areas. Rates are purchased by concessions made at the time but which it seems we are to continue to pay forever. I think what we would be better advised to do is to suspend the operation of these increases until such a time as we have something more nearly approaching a free economy in western Canada for our farmers and importers generally; and the government, through its own agencies or through the board of transport commissioners, could begin now, at this late date, to see what is equitable in the matter of freight rates in this country. If we do not do so, what will happen?

Someone has spoken today about the steel rails that bind the country together. Someone else said that there is a much more important element than steel rails that holds us together. Railways made possible our first communications, and the presumption was that because we have been able to travel up and down on the railways, we now all love each other and have a common bond in our citizenship. Actually the type of thing which has been going on since the early development of the west, the discrimination against our areas by the railways —even by the railway which is the creature, the servant and the property of the people themselves—as a result of the rulings of the board, has done very little to consolidate the people of Canada. The railways have done more in the opposite direction by this type of discrimination, this type of charging all that the traffic will bear, where you can get it; not because the people are easy-going, have more money than those elsewhere, are stupid or anything like that, but because of dire necessity, because they must have certain things and because there is no other way of getting them; and for that which you must have, you pay what you must pay in order to get it. This has been the situation.

We know perfectly well where the burden of the 21 per cent increase in freight rates will fall. It will fall not on those who are best able to pay it but on those who are least able.

My complaint is not that once more we of the west and indeed those in the maritimes—we of the seven provinces, shall I say, who have expressed a willingness to get together and to make some contribution to the building up of nationhood and the consolidation of good feeling in this country—are to be left without those benefits which we desire because two of the stronger provinces refuse to co-operate. That is understandable on the basis perhaps of thoughtful though misguided selfishness. However, I am a little bit at a loss to understand why in a situation like this, these same two provinces have adopted in this matter the role of the Levite. Not being themselves affected, they have passed by on the other side instead of taking advantage of the opportunity to help the weaker provinces to win some consideration for themselves.

I have a shrewd suspicion, Mr. Speaker, that for the moment, in appealing to these provinces, I am pleading a lost cause. Sir, I would not want to go back to my home city, to my home province or to western Canada generally, and have it said of me that I had been unable or unwilling to rise in my place in this house and give voice to the resentment which I feel with regard to the timing, the method and the result of the investigation generally. I think it is tremendously important, even though we lose out, that as an evidence of good faith the government should exercise that authority which it undoubtedly has to delay the implementing of these new rates until the least of the provinces shall have had a full opportunity to present the views of their people in the one place where they can go in these matters, namely to the federal government. If necessary, and if they desire it, failing satisfaction there, there should be delay until they have had an opportunity of seeking satisfaction in the courts themselves. I think this delay, in all fairness and in all justice, should be made.

I come back once again to that other thought to which I gave voice.

Failing successful appeal, if it is decided that this impost must go on, then so far as this government is concerned, I urge that they meet the situation which they cannot escape seeing, by freeing western agriculture from the shackles which are on it and give the west every opportunity to pay the extra tariff imposed upon them.

Mr. J. G. DIEFENBAKER (Lake Centre): I listened, Mr. Speaker, with interest to what my friend the hon. member for Winnipeg South (Mr. Mutch) had to say regarding this matter; but I thought he weakened his case when, in pursuance of his argument for certain changes to be made, he stated that he believed he was pleading a lost cause.

Mr. MUTCH: The difference between "feared" and "believed".

Mr. DIEFENBAKER: I do not mind whether the word used was "feared" that he was pleading a lost cause or whether it was the one I used. There is nothing that damages one's plea more or detracts more from it than to believe that the arguments one is advancing will fall on deaf ears. That is not the view, though, of all western Liberal members. The hon. member for Rosthern (Mr. Tucker) made a speech the other day.

An hon. MEMBER: Oh, no.

Mr. DIEFENBAKER: Yes, as reported in the Saskatoon *Star-Phoenix* of April 3. I will read it in part, because he believes that there is hope. The heading of the article is, "Tucker thinks west will get fair deal on freight rates". Then he goes on to say this:

> "I think the west will get a fair deal out of the freight rate situation under proper representation," Walter Tucker, provincial Liberal leader told . . . a meeting here Friday evening.

I commend those words to the hon. member for Winnipeg South. The hon. member went on, as reported in this article:

> He described the ruling by the board of transport commissioners as "just an advisory ruling."
>
> He said he had argued in caucus for a "bridge" in rates between the head of the lakes and Winnipeg as an aid to the west. "We certainly shouldn't pay all the cost of this stretch," he added.

Then he used these significant words, which I bring to the attention of the Minister of Transport (Mr. Chevrier):

> We are best represented by our members at Ottawa. But there are only four of us from the west; two from Alberta and two from Saskatchewan. How I could have used the support of fifteen or twenty Liberal members in my talks before the caucus.

That indicates, sir, that this matter was up for discussion; and the difficulty under which the hon. member for Rosthern operated was that he did not have sufficient support from western Canada to bring before the government the representations of the west.

Mr. COLDWELL: What did maritime and British Columbia Liberals do?

Mr. DIEFENBAKER: And then he said this; and it is significant in explanation of why he is not getting the support of eastern members in his representations in caucus in this connection. He used these words:

> Eastern members were objecting to these tactics—

That is, to C.C.F. tactics.

—and were becoming increasingly opposed to extending benefits to western Canada as a result.

I do not know how the hon. member for Winnipeg South will be able to reconcile his arguments of this evening with the representations by the hon. member for Rosthern when speaking in Saskatoon the other night.

Mr. MUTCH: He is younger than I am.

Mr. DIEFENBAKER: But, one thing, if the Minister of Transport in caucus did not have representations made to him, except by these four—and no more—he today has representations not only from representatives from Saskatchewan and Manitoba, but also from British Columbia and the maritime provinces as well.

Mr. BLACKMORE: And do not forget Alberta.

Mr. DIEFENBAKER: Yes, and from Alberta; and well made by the hon. member for Vegreville (Mr. Hlynka). The minister now has representations from all the provinces affected by this discriminatory rate structure. And, after all, I should have thought that by this time the minister would have removed the veil and allowed us in the House of Commons to have some idea as to what the government's stand in this matter is. The responsibility is not that of the board of transport commissioners. That responsibility rests on the government, and on no other. I am going to refer to the act, for no amount of casuistry can get away from this fact, that the government must assume the responsibility. If it had appointed a committee of parliament, it might wait until the committee reported before doing anything. If it had appointed a royal commission it could have said, "After all, this is merely a recommendation." But it appointed the board of transport commissioners, under law, and the matter was submitted to that board.

I shall now refer to the relative sections. First, the board is composed of six members, holding office during good behaviour for the period of ten years from the date of appointment, but may be removed at any time by the governor in council upon address of the Senate and the House of Commons.

Mr. KNOWLES: Is what they have done "good behaviour"?

Mr. DIEFENBAKER: Then we come on to decisions of the board, where it is stated that decisions of the board are final, unless they are reviewed, rescinded, altered or varied by the board itself, which may rehear any application before coming to a final decision. However, where there is no rehearing, we find that section 52 of the Railway Act states:

The governor in council may at any time, in his discretion either upon petition of any party, person or company interested, or of his own motion, and without any petition or application vary or rescind any order, decision, rule or regulation of the board, whether such order or decision is made *inter partes* or otherwise, and whether such regulation is general or limited in its scope and application; and any order which the governor in council may make with respect thereto shall be binding upon the board and upon all parties.

Not only have there been representations made by various provinces, but I understand that representations have been made by various parties affected. So that the responsibility rests—and I repeat this—upon the governor in council or, in other words, upon the cabinet.

There is provision for appeal; but the facts in this case, if I understand them correctly, permit of no appeal to the Supreme Court of Canada. The act states:

An appeal shall lie from the board to the Supreme Court of Canada upon a question of jurisdiction, upon leave therefor being obtained from a judge of the said court—

And again:

An appeal shall also lie from the board to such court upon any question which in the opinion of the board is a question of law, or a question of jurisdiction, or both . . .

There is no question here either of law or of jurisdiction. My recollection is—and I speak subject to correction by the minister—that the question of jurisdiction was raised at one time during the proceedings before the board, and that an application for leave to appeal to the Supreme Court of Canada on the ground of jurisdiction was in fact dismissed.

So that however much the minister may endeavour to evade responsibility, the responsibility for what will take place under this recommendation, or advisory recommendation if you will, will rest upon the government which, alone, will be responsible for permitting this recommendation to be carried into effect.

The baby is on the government's doorstep. It cannot in any way divest itself of its responsibility. Surely by this time, after the arguments advanced here today, the minister is or should be in a position to let the house and the country know the course the government intends to follow.

I am not going to enter into any argument as to the advantage of private enterprise over socialism, although that was brought into debate today. One of these times it will have to be answered. I want to get down to the

meat of this situation, as I see it. Members from the maritimes—at least those who are interested—have set forth their view that there is discrimination. By reason of the mountain differential there is discrimination in British Columbia. There is discrimination on the prairies where the effective rates in the three prairie provinces are above the average level of Ontario and Quebec to the extent of some 14 per cent. That discrimination, under the 21 per cent across-the-board increase in freight rates will be increased until it will amount, over all, to 16·94 per cent. In other words, by this over-all increase the prairie provinces are being penalized by an additional 2·94 per cent over what they are paying today.

The hon. member for Nanaimo (Mr. Pearkes), who has just arrived this evening, has certain representations to make with respect to British Columbia. However, by reason of the fact that the list of speakers is complete, he finds himself unable to make those representations on this occasion and has authorized me to place some facts before the house on his behalf. I do so, accepting those representations as being proper in every respect and as being the representations he would have made respecting the situation in British Columbia.

The Vancouver *Daily Province* of April 1 points out that, according to an estimate made by A. K. Lloyd, president and general manager of B.C. Tree Fruits Limited, the 21 per cent rail freight boost may cost British Columbia's fruit industry $1,000,000 a year. By this 21 per cent increase across the board the mountain differential is made even worse than it is today. The situation today is that one and a quarter miles in the mountains equals one mile elsewhere, and a 21 per cent increase on the one-quarter mile will mean an increase in the discrimination against British Columbia, a discrimination that will affect practically all the products produced in that province. The hon. member also handed me, and I now place it before the house, a telegram which he received from the Okanagan and main line associated boards of trade. The telegram is dated April 3 from Enderby, B.C., and reads:

General Pearkes, M.P.,
Ottawa, Ont.

Strongly urge dominion government notify board transport commissioners that any attempt to increase rates on British Columbia traffic before existing discriminatory mountain differential removed will be appealed to highest authority.

I point out again that the only authority to whom an appeal can be made is to the governor in council the government of Canada. There is no appeal to the supreme court or any other judicial body except on a question of law or on a question of jurisdiction, and the latter matter has already been determined.

I now return to the prairie provinces and their views. We in the prairie provinces, without regard to party considerations, view any increase across the board as an intensification of the freight rates discrimination that has existed over the years and against which successive governments in the various provinces have objected. I feel that the effect of the board's decision will be to perpetuate the blight of discrimination against the prairies, against British Columbia and against the maritimes.

We in the prairie provinces and those who live in the maritime provinces have much in common in this regard. Discriminatory freight rates have had the result of relegating some provinces to the position of second-class provinces in the economic set-up of this dominion. Discriminatory freight rates have devitalized the potentialities of industrial expansion in the prairie provinces and in the maritimes.

During the war we on the prairies were penalized. During that period we were denied any real participation in the billions of dollars that were advanced by the government for the development of war industries, not because of a lack of natural resources but because of the discriminatory nature of our freight rates and because we could not interest the government in decentralizing industry. This is a matter of great moment at this time when we find ourselves in the midst of world turmoil.

I believe the time has come, not to have an across-the-board increase in freight rates which will merely continue if not perpetuate the unfairness under which these various provinces suffer today, but to have a scientific revamping of the freight rate structure. Instead of doing that, the board has recommended the easy way, it has simply added an annex to an already dilapidated structure. During the course of his remarks the hon. member for Winnipeg South pointed out that he did not think there were more than six men in the dominion who understood the structure of freight rate differentials.

An hon. MEMBER: He said six lawyers.

Mr. DIEFENBAKER: He said six lawyers; after all, he was taking the best men in Canada when he referred to the legal profession. That is true. We have a board of transport commissioners, and I suggest to the minister that, having regard to what this

increase in freight rates will do at this time to interfere with the economy of the country, he should apply the veto on the part of this government to the immediate operation of these recommendations and place the board of transport commissioners in a position where, with the necessary scientific ability they have available, they can revamp our freight rates structure, to the end that one of the most serious disadvantages under which some of the provinces in confederation are operating will be removed once and for all.

When the discrimination is removed there can be no objections to such increases as are necessary to assure a fair and proper return to the railroad companies. No one wants a condition of affairs where deficits will continue. Having regard to the situation in which our country is today, I am sure that no one desires to see continued this discrimination which has done more to put east against the west and to separate our country than any other single thing.

I suggest to the minister that the responsibility rests with him. He will never have a united federation; he will never build the type of Canada that we want to see built, where every part of the country is developed according to the resources it possesses, until this unfairness is removed. He will never build the kind of Canada that will assure the destiny that Canada should achieve by having some of the provinces placed in the position where, through the years, they will continue to be "have not" provinces industrially. The minister has the opportunity to do that which over the years many successive ministers of railways have realized should be done but have never had an opportunity of doing or have never had the vision to do. They never had the opportunity to do what the hon. gentleman who now holds the portfolio can do for Canada as a whole.

This is not a party matter. If this matter were allowed to come to a vote removed from all the trammels of party consideration; if each and every member voted not on the basis of voting non-confidence in the government but on the basis of the views he held, you would be surprised, Mr. Speaker, by the result. This afternoon when the hon. member for Rosetown-Biggar (Mr. Coldwell) spoke a most unusual thing occurred; there was applause from the government side of the house for many of the arguments which he advanced. That applause could not have been missed by the Minister of Transport. That applause represented an expression of the inward ideas of hon. members across this dominion who, without regard to any consideration, unselfishly want to see Canada developed as a unit rather than to be Balkanized industrially by reason of a differential that denies equality as between British Columbia and Ontario, that denies equality as between Saskatchewan, Alberta, Manitoba and Quebec, that denies equality as between the maritimes and central Canada. Those inequalities are inequities and those inequities are doing more to separate this country and, in the event of war, to make it defenceless by reason of the centralization of industry in central Canada. These inequalities and inequities would be removed if the minister would either place the matter in the hands of the transport commissioners, with all the thousands and thousands of pages of evidence that they have before them and knowing the facts as they do, or set up a commission to take additional evidence with a view to removing this discrimination, for, as long as it continues, this country can never hope to achieve that development she should have, having regard to the resources she possesses.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I shall be very brief because I am optimistic enough, after hearing the hon. member for Lake Centre (Mr. Diefenbaker), to believe that the hon. member for Muskoka-Ontario (Mr. Macdonnell) will fall into line, though I cannot conceive of a member from Toronto falling in line with the west in this matter.

Mr. MACDONNELL (Muskoka-Ontario): I am not from Toronto.

Mr. CRUICKSHANK: That is all right. I should like to hear the hon. member for Muskoka-Ontario say that he agrees with us in the west on the mountain differential, and I will gladly forgo my time if he will give that assurance.

Mr. CASSELMAN: Get your own minister up.

Mr. CRUICKSHANK: He will get up in good time, and fortunately the minister in charge will for many years belong to this side of the house.

I wish to compliment the hon. member for Rosetown-Biggar (Mr. Coldwell) on his speech this afternoon. I believe that he spoke on behalf of all of us, and in my opinion in all the years I have been in this house I never heard him make a better speech. I am glad to say that he kept partisan politics entirely out of it. I am sure that he spoke for every member from the maritimes and certainly for every member from British Columbia, irrespective of party.

I am sorry that on this side of the house we have not had the support we should like to have had from the members from the maritimes, which are affected almost as much as British Columbia.

In my opinion the most effective part of the speech of the hon. member for Lake Centre was when he spoke of unity. At the present time we are trying to attain unity in international affairs, but we shall never have unity in international affairs if we cannot secure unity within Canada; and as long as the maritimes and the west are treated as we are now being treated, we shall never have unity within Canada. I believe, with the hon. member for Winnipeg South (Mr. Mutch), that this question should not have had to originate with the hon. member for Rosetown-Biggar, but that the government itself should have found ways and means of bringing the matter before parliament because it is one of the most important matters that could come before us. If a motion were introduced I believe that we could find sufficient members on this side of the house to carry it if we had the support of the official opposition, which I doubt very much except for a few members. I am frank to admit that I do not think we would have the support of the members from Ontario and Quebec on this side of the house.

An hon. MEMBER: Sure.

Mr. CRUICKSHANK: An hon. member says "sure", but no member from Ontario or Quebec has yet risen in this debate to say one word on behalf of either the maritimes or the west.

Every farmer in my riding is being penalized by this increased freight rate. Every poultryman is being penalized two cents a dozen on eggs. The berry growers are penalized on some 15,000,000 pounds of fruit which they will ship this year. The previous speaker mentioned wires that he had received. I received more than that; as well as the same wire, I had two long distance telephone calls from people knowing perhaps that we could present their case more effectively on this side of the house as we are about to elect a new member from the fruit-growing district.

Mr. MacINNIS: You cannot do so unless you change your policy.

Mr. CRUICKSHANK: We believe that we are going to change the policy. I have always been a sort of modest member who has refrained from saying what he thinks, but I can assure the government that if some of my legal friends, the hon. member for Lake Centre or some other member of his profession can show me how a motion can be introduced that will present this issue straight to the house, at least three British Columbia members will vote in favour of the motion, even if it should be a want of confidence motion, because we believe that the very future of our province is at stake in this matter. We believe, not in appeals such as the hon. member for Lake Centre suggested, but that parliament should be supreme in this matter. I do not know much about the rules. I never break them myself; I know that my hon. friend the member for Vancouver East (Mr. MacInnis) is an expert on the rules and that he sometimes calls me to order, but I believe that on this question we are in agreement. I want to impress on the government, and it will continue to be impressed on the government by the private members from British Columbia both in public and in private, that no longer are we going to stand to be sacrificed for the benefit of Ontario and Quebec, nor do I believe that the people in the maritimes will continue to be sacrificed in this way. We want unity within Canada; but unity means one thing, unity in all parts of Canada, and the only way you can have unity is by equality of treatment.

I want to impress on the minister, who I believe is both capable and fair-minded, the necessity of a change of apparent government policy on this question, for without a change you cannot maintain unity within Canada or deal out justice to all parts of this country. I am for once disappointed that we have not heard on this question from the hon. member for Eglinton (Mr. Fleming) who usually speaks every three minutes on every third question, but I notice a great silence today from Ontario and Quebec on this subject. I can assure you, Mr. Speaker, that all parties in British Columbia are unanimous on this question and that we shall fight to the last ditch to see that we get a square deal.

Mr. A. J. BROOKS (Royal): Mr. Speaker, I feel somewhat diffident in following the able speech of the modest member for Fraser Valley (Mr. Cruickshank), with most though not all of whose remarks I agree. He stated, however, that the British Columbia members have not received much support from the maritime provinces.

Mr. CRUICKSHANK: I said on this side of the house.

Mr. BROOKS: I beg the hon. member's pardon, because I was going to point out that the hon. member for Cape Breton South (Mr. Gillis), the senior member for Halifax (Mr. Isnor) and my seatmate the hon. member for Cumberland (Mr. Black) have already spoken

in support of his stand. They presented very strong arguments, indeed most of the arguments which I was going to use myself. But as no one from New Brunswick has spoken I should like to indicate to the house that in my province we feel keenly about this freight rate increase. One has only to read the newspapers of the last week or to talk with men from different parts of the province to realize how strong the feeling is.

Freight rates have always been an acute problem in the maritime provinces. It has been said in fact that the freight rate means life or death to maritime industry. This has been so in the past and we feel that it applies also to the future. Over a long period of years we have lost industries in the maritimes because of high freight rates, and as the hon. member for Cumberland pointed out this evening, we have also lost many thousands of our people. Our people have to go where they can find work, where there is industry, and if industry leaves any part of the country the people have to leave too. That has been the result in our province ever since confederation.

It is not necessary for me to go into the history of freight rates in the maritime provinces because they were dealt with this afternoon. Our people have always been conscious of our difficulties before and ever since we joined confederation. One of the reasons our province came into confederation was the promise that freight rates would be one of the main considerations. We were not in confederation very long until we began to realize that the freight rate structure of this country was against these little provinces down by the sea, and we began at once to lose our industry and also our people to the central parts of Canada.

In 1925 there was formed in New Brunswick, Nova Scotia and Prince Edward Island what was known as the maritime transportation commission. This commission received the support of the governments of the three maritime provinces. It also received the support of all the businessmen in the three provinces. The idea of this maritime transportation commission, was, among other things, to keep careful watch on the freight rate situation in these provinces. Out of the idea of this maritime transportation commission eventually developed the Duncan commission which made certain recommendations for our provinces with relation to freight rates, which recommendations were not carried out to their full extent, with the result that we continued to lose industry and our people, even though under the Maritime Freight Rates Act we had a 20 per cent benefit over the other parts of Canada with the exception of the west.

What does this increase of 21 per cent mean now? Mr. Rand Matheson, who was the manager of the maritime transportation commission, has estimated that it will mean between $7,000,000 and $8,000,000 to the people of these three provinces; that is, that it will cost our fishermen, our farmers, our people in industry and our lumbermen an extra amount of between $7,000,000 and $8,000,000. It will cost the whole of Canada something like $70,000,000. We have not one-tenth of the population in the maritime provinces. It is estimated that there are about thirteen million people in Canada today. In the maritime provinces we have less than one million people, and if we were to pay on the basis of our population we would contribute only one-thirteenth of this amount of $70,000,000; but, according to the estimate of Mr. Matheson, and he is a keen authority on railway matters, we are contributing one-seventh of the amount, which, in itself, is inequitable. This will increase the cost to the farmers. Someone pointed out this afternoon that it will mean a great increase in the cost of the machinery we have to buy from central Canada. It will mean an increase in the cost of the fertilizer which the farmer uses. In New Brunswick we use something like 60,000 tons of fertilizer a year. It will mean an increase in the cost of practically everything that goes into the farming industry. It will mean an increase in the cost of feed grains which we have to use in our dairy and hog industry.

Take an industry like the Atlantic Sugar Refinery in the city of Saint John. A few days ago the senior hon. member for Halifax was bewailing the fact, and rightly so, that during the last few years the sugar refinery in the city of Halifax had moved to the city of Montreal. What will happen to an industry like the Atlantic Sugar Refinery in Saint John with these increased freight rates? We know what has happened in the past. It will mean only a few years until this industry is closed up and moves to some other part of Canada. That is what we in New Brunswick and in the maritime provinces generally have had to put up with for years, and it seems to be the logical result of the increase in freight rates.

I could go on and mention other industries. The hon. member for Cumberland mentioned the stove and furnace industry, which is in my own province in the town of Sackville. It employs quite a number of people. These

people have to bring a lot of their products for the manufacture of their stoves from central Canada. This cannot go on forever. If the freight rates are to be increased they will have to move nearer to the great centres of population in this dominion. And so it goes on, first one industry and then another. The main reason why we lose these industries in our province is the freight rates.

I read an article the other day in which the Premier of Prince Edward Island said that the potato industry in Prince Edward Island would be very hard hit. As a matter of fact, I think it was the deputy minister of agriculture of Prince Edward Island who made this statement:

> The "very existence" of Prince Edward Island farmers was threatened by the 21 per cent increase in freight rates granted the railways by the board of transport commissioners' ruling this week, a resolution adopted at the annual meeting of the P.E.I. Potato Growers' Association declared. The resolution urged that the case for the maritimes be reviewed.

What is true of Prince Edward Island with reference to potatoes would be also true in the province of Nova Scotia with reference to apples, I believe, and in the province of New Brunswick as well. Under the British empire trade agreements, Nova Scotia sold its apples to England. That province had a splendid market there. That market is being lost to the apple growers of Nova Scotia, with the result that they will have to seek a market in central Canada and in other parts of Canada, and this increase in freight rates will be a severe blow to the apple growers of Nova Scotia and New Brunswick.

I could go on and quote case after case, but I do not think it is necessary because of what has been said this afternoon and evening. I would point out that if all sections of Canada were equally prosperous, if we were as prosperous in the maritimes as are the people in Ontario and Quebec, we would have no objection to bearing our share of this freight rate increase, and there would be no argument against it. We in the maritime provinces have not been as prosperous as the people in other parts of Canada; we have not been as prosperous for the very reasons that I have been pointing out, and one of the main ones has been the increase in freight rates. For instance, our farmers in the maritime provinces and in New Brunswick particularly received an average salary last year of about $800. The average salary for the whole of Canada was about $1,700. Thus our people received one-half of what the farmers throughout Canada received. The same thing applies to other industries as well. That is the point I am trying to make. If our people were as prosperous as are the people in parts of central Canada, then we would have no objection to bearing our just portion of the burden.

I think it was very well put this afternoon that this is not a matter for a commission to decide. This is a very broad question. It is a question which affects the very life of this dominion of ours; it affects the unity of our people, and it is something which the government of this country must decide. The decision must not be left with any commission.

I should like to call attention to what the Premier of New Brunswick said in this connection a short time ago. It is as follows:

> McNair urges joint action
>
> Suggests Ottawa delay operation of freight boost.

In the course of his remarks he had this to say:

> It was clearly intended under the Maritime Freight Rates Act that the maritime provinces should be placed in a position to do business with the other provinces of Canada. Any movement or action which has the effect of disrupting this position is most disturbing.

Then further:

> I am strongly of the opinion that the federal government should intervene to ensure that at least thirty days' notice be given by the railways before putting into effect the rates permitted under the recent decision.

He thinks there should not be any hurry in this matter but that there should be time for careful consideration. The Premier of Nova Scotia, the Hon. Angus Macdonald, said:

> The new rates recommended by the board run contrary to the spirit of the Maritime Freight Rates Act, and, in my judgment, the board has failed to deal adequately with the arguments made by maritime counsel on this point.

In closing, Mr. Speaker, I would point out to the government that these men whom I have quoted this evening, the Premier of New Brunswick, the Premier of Nova Scotia and the Premier of Prince Edward Island, are all very strong supporters of the present administration at Ottawa. If it were some years ago when the Prime Minister (Mr. Mackenzie King) said, "Not a five cent piece to a Tory province", we might understand the attitude the government has taken. But here we have three premiers who are very strong supporters of this present administration, and each of them has stated definitely that this is a problem which the federal government should solve and which, in justice to the people of their provinces, must receive immediate attention.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, this is a difficult debate in which to take part, largely because all the debating is on one side. Although I presume there is a different point of view on the question, there appears to be no one to give expression to that point of view. I merely rise—and it is almost inevitable at this stage of the debate—to emphasize some of the points that have already been made. It is difficult at this stage to make any new points. Before I go on with what I have to say, I wish to refer to a point raised by the hon. member for Vegreville (Mr. Hlynka) and also by the hon. member for Cumberland (Mr. Black); that is, that it is too bad that the debate came up in the way it did, namely, on a motion to adjourn the house on a matter of urgent public importance.

I too regret that the debate had to come up in that way. Unfortunately in this house we have not reached the stage where a member can rise in his place and ask the government to set aside a certain time for debating an important question. That is the procedure at Westminster. There they have a standing order similar to our standing order 31; but as regards any question of importance arising, the leader of the opposition or a private member, either on the government side or on the opposition side of the house, can rise and ask that a day be set aside for discussing the question, and invariably that is done.

The leader of this party could not in the natural order of things have given more notice than he did. As a matter of fact we did a very unusual thing. We not only notified the Speaker, which we are not obliged to do under the rule, but we notified the government's chief whip and the leaders of the other parties as well, because we appreciated that this was a matter of which they should have some notice and that it was not in any sense a political matter. That is the reason the question has come up in this way.

As I understand the freight rates question as it affects British Columbia, it is a matter of the fairness of the rates; and may I say by the way that in this matter I can speak both as a maritimer and as a member from British Columbia. Like so many others, I had to leave the maritimes in order to make my livelihood somewhere else, and I therefore know their difficulties there. As I understand the question in British Columbia, it is not that we are opposed to an increase in freight rates if that increase is necessary, but we object to the fact that the decision made at this time perpetuates freight rates which we have considered for years to be inequitable. That is the point.

[Mr. Brooks.]

I have lived for forty years in British Columbia; in every year during that time that province has been fighting at Ottawa for a better break in the matter of freight rates and we have not got it yet. Not only that; but this order, if it stands as it is now, will make the situation worse than it was before. Not that the present discrimination will be increased by 21 per cent, but it will be more than it was before. That is the position as we see it in British Columbia.

It has been mentioned that the railways were represented by, I was going to say some of the best lawyers in Canada, but I will say some of the cleverest lawyers. One of them made the statement in argument that the inquiry into freight rates was concerned with revenue for the railways. He said that the board of transport commissioners was limited to the fixing of just and reasonable rates, and he said further that:

> . . . just and reasonable rates referred to in the statute are rates that must be just and reasonable to the railways to whom they are to be paid, and that unremunerative rates are unjust and unreasonable.

I maintain there is more involved here than simply revenue for the railways. That, of course, is important because, without the necessary revenue, they cannot carry on and serve the country, but there is more than that involved. The railways in Canada were built in order to develop the various parts of this far-flung country and to knit the provinces together and that is where in my opinion the government comes in. Even if the board of transport commissioners is restricted to dealing solely with the question of revenue for the railways, without regard to whether the collection of that revenue is equitable or not, the government is bound to take notice of that, and that is what I suggest to the minister and to the government that they must do.

Let me say again that, as I understand the position of the people of British Columbia, they are not opposed to an increase in freight rates as such. They are opposed to the maintenance of an inequitable freight structure. I have in my hand, and I was going to read it to the house, a copy of the wire that was read by the hon. member for Lake Centre (Mr. Diefenbaker) when he spoke on behalf of the hon. member for Nanaimo (Mr. Pearkes). That wire makes it quite clear that until the discriminatory mountain differential is removed, British Columbia will not be satisfied. We believe that since freight rates in our province are much higher than average, we should not be asked to pay higher rates until the rates have been increased in those areas which have for many years enjoyed the

relatively lower rates. I submit that is not an unreasonable position to take. I imagine it is pretty much the position that the people of the maritimes take as well. But if we continue the present discrimination, we are helping to create an imbalance in the economy of Canada, and we are certainly not helping to create that unity which must exist in this country if we are to be prosperous, happy and free. I was indeed glad to hear so many of those who spoke in this debate refer to the fact that in order to have unity we must have equality. We cannot have unity when certain sections of the country feel they are being discriminated against for the benefit of other sections. That being the case, if we want unity let us see to it that all sections of this country have the same consideration and the same opportunities.

I am glad tonight to be able to associate myself with those other members from British Columbia who have opposed the decision made by the board of transport commissioners. I hope the government will not allow the decision to go into effect without having an opportunity for a review.

Mr. W. CHESTER S. McLURE (Queens): Having listened in this debate, Mr. Speaker, to all those who have spoken, representing most of the provinces of Canada, I thought, since I was the only Tory member from Prince Edward Island, I might be allowed an opportunity of saying a few words.

This question of transportation is one in which I have always been interested from the point of view of our own province. I have endeavoured to show the discrimination with reference to freight rates by all governments against our province as a province. But that is not quite the question with which we are dealing tonight.

To begin with, I might say that I did not approve the manner in which this debate was introduced into the house, but I approved the manner suggested by the hon. member for Winnipeg South (Mr. Mutch). However, that is past and the last speaker has given the reason why the debate was so introduced. It does not give the members of this house the fullest opportunity to discuss the greatest question that has arisen in parliament for many years, namely, the freight rate increase which was announced a short time ago.

When this freight rate increase of 21 per cent was announced, with other entanglements, it rocked the maritime provinces and nearly shook them clear of the Dominion of Canada. It also rocked the western provinces to the same extent. The central provinces, owing to their great wealth and their centralization of great factories, have nothing much to say with regard to it, because both the maritimes and the western provinces are paying the shot and the central provinces are enjoying the benefits.

There is one thing I want to mention—and it may not be quite in order—along the lines of what has been said by those who have spoken, and it is this. The board of transport commissioners had no authority that I can see, although I am not a lawyer, to make this increase without due consideration having been given and information having been received in this way. I believe this matter should have been discussed on the floor of the house before it ever went to the board of transport commissioners. They are not all-powerful. For instance, over a year ago I took objection to the board of transport commissioners and protested their going into our province and setting freight rates over which they have no jurisdiction whatever. I am glad to say that, after they went there, they themselves found out that they did not have the jurisdiction to submit to us freight rates that we should have to pay. I feel assured that the government should not have given this board of transport commissioners the authority to go over this country and set freight rates; I feel they are not getting the true picture of what we should have with reference to freight rates.

Of course there are two sides to this question. Two great railways are connected with it; in fact, two of the greatest railway systems in the world, the Canadian National and the Canadian Pacific. However, these two companies are somewhat different. One is practically a government-owned railway and the other one is what we might call a private enterprise. Notwithstanding that, we have these two companies now to share and share alike in the decision of the board of transport commissioners; that is, each of them is entitled to put on this new rate for its own benefit. The Canadian National is a railway that Canadians are proud of. It was built, like the Canadian Pacific, for one purpose, namely, the development of Canada. The Canadian National is giving us excellent service, generally speaking, across Canada. If we are demanding still greater service from this railway, and also service in other directions throughout the country, if it cannot make revenue and operating expenses balance, there is only one solution. If we demand that the railway maintain the service at the highest possible level without the raising of rates, then the government must pay the deficit.

However, in the matter of freight rates, as in ordinary passenger transportation, there is the matter of differences of equipment. I was

about to say with regard to the maritime provinces—and I would speak particularly about Prince Edward Island—that we lack the transportation system enjoyed by the other provinces. However we are gaining somewhat, and had hoped we would be linked up with the rest of Canada, and have de luxe trains such as have been provided by the Canadian National across the country.

How does the increase in freight rates affect Prince Edward Island? As an agricultural province, it will cast a heavier burden on Prince Edward Island than on any province. Freight rates will be increased on our exports as well as on our imports. We are exporters and importers. We have no great factories or industries. Our people must live by the soil and the fisheries. We have only two industries of any great importance. As some hon. members have said tonight, it can be well imagined that an increase in freight rates on our exports will almost cripple the farmers of Prince Edward Island.

Someone has placed on record figures showing estimates concerning these increases. Estimates have been made as to what it will cost Prince Edward Island farmers and fishermen—particularly the farmers—in the export of their goods. The amount has been set down at $1,500,000 to $2,000,000 as the amount the new increase will cost, if it goes into effect. However, while we are all talking against the increase in freight rates, and endeavouring to persuade the Minister of Transport (Mr. Chevrier) and the government that the increases ought not to be put into effect, I am positive that neither the minister nor the government would dare to put them into effect at the present time. They must be given consideration. From one end of Canada to the other, with the possible exception of the central provinces, a cry has been raised against them.

In face of that, and in face of the arguments submitted from time to time not only in the house, but when the investigation was taking place before the commission at different points across Canada, I feel that these increases will not be put into effect. All these things must have a bearing on the action the government will take. I certainly hope I am right when I say that it will not dare to impose these increases on the maritimes and the western provinces.

A few days ago I mentioned discriminations against those situated in geographically extreme locations. I mentioned, for instance, the freight rates we in the maritimes and those in the west have to pay on automobiles, trucks and farm machinery, none of which are manufactured in the maritime provinces. If this increase were added, for an ordinary car brought from Oshawa, instead of paying $86 we would have to pay at least $100, and up as high as $165 to bring to Prince Edward Island a car that a farmer may wish to buy. I endeavoured the other day to show the discrimination in this instance; and the same could be said about all farm implements. The situation is that a farmer living near Oshawa will receive support from that factory, when he produces food for the men employed there, and their families. When that farmer buys a car he pays the factory price. We in Prince Edward Island also support the factories, but we get no direct results from the sale of produce, because those commodities are supplied by the local farmers. Yet, when we attempt to support that factory by buying an automobile or a truck we are discriminated against and penalized to the extent of from $100 to $165. This should be placed on the stamp rate, and there should be some equalization whereby a man living next door to a factory would not be in a position to buy his car one nickel cheaper than a man living in Prince Edward Island or in the west.

Some of the largest merchants have taken up this matter, and have equalized freight rates throughout Canada on the articles they manufacture. The matter of freight rates brings us to many other matters which, in the interests of our own provinces, we could discuss. I know, however, that the hour is late and that before the Minister of Transport speaks there are other hon. members who wish to make their contribution to the debate. I trust the minister will give the matter such consideration that those of us in the east will not have our hopes so terribly blasted, as they were when the 21 per cent increase was announced.

The hon. member for Royal (Mr. Brooks) referred to Prince Edward Island's voicing its opinion against these increases. It is not necessary for me to repeat what has been said by representatives from other provinces. The resolution passed by Prince Edward Island is already in the hands of the minister, and it is not necessary for me to repeat it at this time.

Let me say I am sure the government will give this matter its honest consideration, because it is entirely in the government's hands. We should not have to be ruled by the board; the government must take the responsibility for this increase in freight rates.

Mr. F. D. SHAW (Red Deer): Mr. Speaker, there are a few things I should like to say at this time. I believe it was fortunate that I happened to be in Alberta, in my own constituency, at the time the freight rate increase was announced. Thus I was able to secure a

clear and concise picture of the reaction of many people in that part of Canada.

It will be noted, if one examines the press releases of March 30, that the board of transport commissioners authorized the railway companies to make a general advance in freight rates to the extent of 21 per cent, with certain exceptions. Those exceptions relate to grain and flour. Then we read that there was to be a flat increase of twenty-five cents a ton on coal and coke. We also find reference made to minimum charges for certain less than carload shipments between any two stations. We find further reference to recognized differentials by way of rail, water and so forth and the indication that those differentials are to be preserved.

While I do not desire to tie my remarks specifically to Alberta, I feel I am justified in taking that province as a typical example, possibly the most outstanding example of the discrimination which exists under the prevailing freight rate structure. As anyone who examines the facts will realize, Alberta suffers the highest freight rate charges on goods exported from that province and pays the highest rates on goods coming in from any other part of Canada. Alberta stands at the apex of the freight rate structure, and I sometimes think that from that lofty position we are able, not only to have a better appreciation of our problem but to look down and note the problems confronting the maritime provinces, the other prairie provinces and British Columbia.

I think it is well to bear in mind that the prevailing freight rate structure in Canada, particularly in western Canada, was designed at a time when traffic was considerably less than it is at the present time and when the population of the west was quite sparse. I had always believed that freight rates or freight costs depended, at least in part, upon the volume of business available. However, we discover in western Canada that as the volume of business increased, as it multiplied many times over, there was no freight rate reduction commensurate with the greatly increased volume of business.

One could briefly list the disadvantages suffered by my own province under four or five different heads. We know that in Alberta as between two points, let us say 100 miles apart, we pay a much higher rate than is paid between two points in Ontario an equal number of miles apart. This afternoon the hon. member for Waterloo South (Mr. Homuth) seemed to take exception to the suggestion that the provinces in central Canada must, in some measure at least, bear the responsibility for this situation. I should like to say to the hon. member that feeling definitely exists in western Canada. I am saying that when one examines all the evidence he cannot avoid being convinced that the condition is approved by the provinces of central Canada.

I realize that from a political point of view the government must have its eyes on the provinces of central Canada. In fact I would go so far as to say that if a condition arose where the government had to make a choice as between the wishes of western Canada and the wishes of central Canada, its vote would be in favour of central Canada. It is an established fact that more than half the members in the Canadian House of Commons come from those two provinces.

We find that goods manufactured or produced at one point within the province of Alberta and transported to another point bear a substantially higher rate than goods produced, let us say, at one point in Ontario and transported to another point within that same province where they are consumed. We find also that we suffer unfavourably from the point of view of distribution of goods within our province which are produced outside the province and brought into the province for consumption.

The particular situation which arises has already been referred to this evening. Goods which are manufactured in Ontario and shipped to Calgary or Edmonton bear a considerably higher freight charge than the same goods shipped to Vancouver. As an illustration, goods produced at Hamilton are shipped to Vancouver and then back to Calgary and sold more cheaply than they could be sold in the city of Vancouver.

Mr. LOW: Shipped back by local freight.

Mr. SHAW: Shipped back by local freight. I recall accompanying a merchant from my own town to Calgary. He was desirous of procuring a special type of grate for a furnace. We were told in Calgary that the only place the grate could be procured was in Vancouver. We pointed out that that seemed rather queer when the grate was manufactured in Hamilton. We were then told that it was found more profitable to establish a warehouse in Vancouver, ship the goods there to be stored, and then ship them by local freight to be sold in Alberta as they were required. Naturally such a situation creates a great deal of consternation among the consuming public of my province. It has already been pointed out that the kind of differential which creates that situation has caused Albertans to condemn the freight rate structure as it applies there.

We know what has happened in the past with regard to Alberta grain which went either to Winnipeg or to Vancouver. We know there is an eastern section of the province of Alberta

where we reach the extreme apex of the freight rate structure. We realize less for the grain we produce there than is realized in any other part of Canada. This is due once again to the excessive freight charges which are imposed. Reference was also made to the situation west of Fort William where we find the breaking point at the head of the lakes and the constructive mileage principle which was introduced between Fort William and Winnipeg. This must be altered.

I have jotted down hastily a number of articles and I have indicated the increased freight dollars which we must pay as compared with the dollars paid by the consumer in Ontario. The previous speaker referred to automobiles. We find that for a Chrysler product produced in Windsor we have to pay $169 more than the consumer in Ontario. That is for a lower priced automobile, if there is such a thing left. In the medium priced field we find the difference running as high as $200. For a light delivery truck we pay $150 more per unit, and for a two-ton truck we pay as high as $227 more than the Ontario consumer.

On electric ranges we pay approximately $7 more, while refrigerators run from $6.25 to $12.75 more. Someone may suggest that that is not a very large sum, but when you multiply it by the number of such commodities consumed within our province you discover that the result is a large sum. In the case of the lowly washing machine we pay approximately $5 more.

As we have constantly emphasized, Mr. Farmer is penalized because he pays approximately $18 more for his binder than does the farmer in Ontario. His mower runs approximately $13 more, his ten-foot drill $10 or $15 more, his cream separator $23.50 more, his wagon $15 to $20 more. His 16 to 26-horsepower tractor $112 more; his power churn, which is used in the dairy industry in my province, $165 more than is paid by the Ontario farmer. I mention one other item, the bottle washing machine, which is also used in the dairy industry. It runs $130 more per unit than is paid in the province of Ontario. All these increases represent freight charges.

Let us take a few comparable figures of freight charges over comparable distances between central and western Canada. I find on making a comparison of the rates on first-class traffic, on standard mileage, for fifty miles we pay approximately three per cent more in Alberta; on the average 100-mile haul, 4·6 per cent more; on the 200-mile haul, 11·2 per cent more; on the 300-mile haul, 11·7 per cent more; on the 400-mile haul, 12 per cent more; on the 500-mile haul, 13·6 per cent more. If you apply those percentages to the actual freight moved in the course of a twelve-month period over those areas you will find that we are penalized extensively.

I have also a comparison of eastern and western ton-mile rates which are extremely illuminating. On grain we pay 13 per cent more per ton-mile than in central Canada; on flour and milk products the rate is equal; on lumber and squared timber, 31·1 per cent more per ton mile; on wood for fuel, 12·5 per cent more; on anthracite coal, 51·6 per cent more; on bituminous coal, 36·6 per cent more; on ores of various types, 30 per cent more; on livestock it is equal, also on dressed meats; on raw cotton, 5·3 per cent more; on other revenue billing, 15 per cent more.

The lumber situation has been referred to. Once again I have taken some comparable mileages in central Canada, and I find that on a carload of lumber hauled approximately 642 miles in Alberta we pay 85·1 per cent more. Lumber hauled in Alberta over a distance of 720 miles costs us 75 per cent more per car in freight; on 765 miles, 83 per cent more, and on 818 miles, 71·4 per cent more.

Here are a few more interesting figures. I do not care particularly to quote figures, but if they are given some consideration it will open the eyes of some of those who believe and say that we are crying with probably no justification.

A carload of lumber leaving the city of Edmonton and going to prairie points—I emphasize that, to prairie points—as compared with carloads of lumber moved within the two central provinces of Canada makes an interesting comparison. If we haul a car of lumber 244 miles on the prairies out of Edmonton we will pay 28·5 per cent more than they pay in the central provinces; on 294 miles, 23 per cent more; on 370 miles, 33·3 per cent more; on 425 miles, 20 per cent more; on 501 miles, 38·3 per cent more, and so on. I have other figures but I shall not give them.

The hon. member for Fraser Valley (Mr. Cruickshank) referred to fresh fruits and indicated that the growers of his province stand to lose hundreds of thousands if not a million dollars a year. Here are a few interesting figures. Let us take fresh fruit produced in his own area in British Columbia and shipped to our own province, as contrasted with fruits produced in the Hamilton area of this province and shipped to points in western Ontario or to any part of Ontario. On a haul of 301 miles we pay 38 per cent more than they pay in the province of Ontario; on a haul of 355 miles

we pay as high as 60 per cent more; on a haul of 453 miles we pay 54 per cent more, and on a haul of 556 miles we pay 15·5 per cent more. You can imagine what the addition of 21 per cent to any of these figures which I have quoted will do to us and to business generally in western Canada. I repeat what I said before. I think the hon. member for Fraser Valley was quite right in voicing the alarm he did voice a few moments ago.

Let us now look at a few general commodities which are used on the farm or in the home from day to day. Take shipments of commodities from eastern Canada to Vancouver and shipments of commodities from eastern Canada to Calgary or Edmonton in the province of Alberta. On soap alone we pay in freight in Calgary and Edmonton 98 per cent more than the consumer in the city of Vancouver; on twine, 79·6 per cent more; on wire, 164 per cent more than if that wire were shipped right through to the city of Vancouver; on calcium phosphate, 212·6 per cent more; on drugs and medicines, 102·3 per cent more; on lead, 164 per cent more; on boots and shoes, 51·8 per cent more; on linoleum and oil cloth, 58·4 per cent more; on wire rods, 138·6 per cent more; on window shades, 51·1 per cent more; on glass, 46·6 per cent more; on drygoods, 66·6 per cent more. I would emphasize that that is the increased rate per ton mile; it is important that I mention that.

There is a peculiar case which I have often mentioned. We have a condensery in my city of Red Deer. It produces the best canned or condensed milk produced anywhere in Canada. If we desire to ship that milk to Vancouver it has to compete with milk from Tillsonburg, Ontario, which is laid down in Vancouver much cheaper than we can lay down our Red Deer milk in Vancouver, purely because of the freight rate structure that prevails. If that is not a most discriminatory position I should like to have it explained. Is it any wonder, Mr. Speaker, when we examine some of these figures that we hear more and more talk about the secession of the western provinces? In fact the talk is becoming in some instances extremely outspoken. I mentioned a moment ago that when these people look toward eastern Canada and attach a certain part of the responsibility to these two central provinces they may do so because of certain newspaper propaganda which circulated about the year 1907.

I think I quoted this once before but it might be well to put it on the record again. As I emphasized at that time, some people think this is the attitude which still prevails here, and until it is proven that this is not the attitude, possibly we shall continue to believe that it is. This is from a newspaper of 1907:

> The marvel of our west is its productiveness, the inrush of population, most of all the consuming capacity, the consuming possibility of that population for manufactured goods of all kinds. The farmers of the west do not haggle over prices, they have the money to buy all kinds of things, and with their rapidly increasing numbers they can support an immense population in some other portion of the dominion better suited for industrial and manufacturing purposes.

Then the editorial goes on to indicate that the central provinces are the parts of Canada particularly adapted to profit from this large increase in population on the prairies. The people of western Canada—I presume the same is true of the maritime provinces also—are becoming a bit sick of the support which they are being constantly called upon to render to industry in central Canada. What central Canada will discover before too long is, I am quite sure, that the west will become highly industrialized, and then I presume it will not take them very long to tell central Canada just where they can go. The trend is in that direction, and unless some of these inequalities, inequities and disturbing conditions which prevail are removed that situation will develop just as surely as I stand here.

I for one am not questioning at the moment the necessity of the railroads for increased revenue. I prefer to leave that situation to the experts who are in possession of all the facts. However, I would be very much surprised if the government of Canada did not give careful consideration to one or two things which happened at the time of the application for an increase in freight rates. The first was that the Canadian Pacific made some extremely pessimistic estimates with respect to their operations, extremely pessimistic guesses, should I say. These estimates were not in any sense borne out by their own figures which later came to light. Let me say, secondly, if we are to adopt as a policy within this country that when demand starts falling off industry is to be permitted to jack its prices up, then I say you are guaranteeing to us one of the most disastrous depressions ever inflicted upon the Canadian people.

We hear government officials talking about production or competition lowering rates. I would like to see them give some encouragement to the carrying into effect of that bit of philosophy. No doubt the board of transport commissioners did what they were called upon to do. They examined the dollar position of the railroads; they examined the assertion that the railroads required additional revenues

in order to carry on, and they recommended accordingly. I am not going to criticize the board of transport commissioners, but I say this: certainly, before they were ever called upon to authorize any increase in freight rates the government should have taken action to correct and remove the anomalies that existed within our present freight rate set-up.

I do not know why the government wait before doing a thing of that kind. They are now faced with a situation of this kind and they find themselves right up to their necks in hot water, squirming in every direction. I agree thoroughly with what has been said here today by speakers from every side of the house, that we should first establish an equalization of rates within this country in order that one part shall not be called upon to bear an unfair burden.

The government may wonder why this announcement caused such consternation. I hope they are conscious of some facts. I imagine the Minister of Agriculture (Mr. Gardiner) knows what it did out west, because I understand that he has been out there recently. This increase of $70,000,000 in the cost of living at a time when our cost of living index shows that the cost of living is higher than it ever was in the history of Canada since the index was first established, coming on top of such things as the coarse grain policy of last fall, the farmers' income tax forms, the excise taxes and so forth and so on, just seemed to bring everything to a head. I do not know, but it seems to me that this government have the uncanny faculty of doing things that bring condemnation down upon their heads; because if one looks back over the past four or five months he must conclude that, had they deliberately set about to do things to annoy the Canadian public they could not have been more successful than they have been. I am not going to say it was deliberate, because an election cannot be too far away; therefore I can hardly believe it would be deliberate. I would rather say they did the best they could, and it is simply that they were not equal to the task. That is about the only conclusion I can possibly come to.

I have been asked how long I am going to speak. I should speak until I have said what I started out to say, regardless of how long it takes. However, I am practically through. I speak for all of us over here, when I say that we join with those who demand that the government set aside, at least for the time being, the application of the 21 per cent increase, and that during the interim they set about to do what I am convinced they believe in their own hearts should be done, namely, a revision of the whole Canadian freight rate structure. Only thus can you have a Canada that is prepared to talk in terms of Canada, and not a Canada parts of which are looking elsewhere for, I should not say relief, but at least for encouragement. I beseech the government to give consideration to what has been said here today and to take appropriate action forthwith.

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, my remarks this evening must of necessity be extremely brief, for reasons which I shall give in a moment. In the first place, I think I should thank the hon. members who have taken part in this debate, because I have no doubt that the house has benefited from the remarks which have been made from this side and from the other side of the house.

I would have welcomed very much the opportunity to participate in this debate at greater length than I am about to do. I would also have welcomed the opportunity to discuss some of the suggestions which have been made by hon. members this evening. In the first place, I think perhaps there may be some doubt as to whether or not this whole debate was in order. The matter of the freight rate question is, to my mind, still in the pending stage. However, if I had risen and taken that view there would have been a great deal of objection from the other side of the house and perhaps from this side as well. In any event I do not think it would have been well regarded in the country as a whole; therefore, for that reason, I withheld taking any technical objection to the motion made by the hon. member for Rosetown-Biggar.

There has been a tendency in this debate today to confuse two issues, the one which was the increase recommended by the board of transport commissioners and the other which was the equalization of the rates; or, to use the expression mentioned at various times in the debate, a discrimination in the rates across Canada.

I have listened carefully to the debate and have come to the conclusion that there has been a tendency to confuse those two issues. Those two issues are, I think, quite separate one from the other. The board in this case was dealing with one specific matter, namely an application, not by the government of Canada but by the railways, through the railway association of Canada representing some twenty railways, to the board of transport commissioners for an increase in freight rates.

Mr. COLDWELL: Does the hon. gentleman not think a 21 per cent increase across the board is discriminatory?

Mr. CHEVRIER: I will deal with that as I go along. The point I am making is that these two matters must of necessity be separate. They are not joined in this issue. They may have been joined in this debate. That has been the tendency today, but they were not the subject of consideration in the application of the railway association. I do not think there is any doubt about that. If anyone reads the judgment carefully he can come to no other conclusion than that the board had not before it an application to consider or investigate or make a survey of the equalization of rates from one part of the country to the other.

An hon. MEMBER: Do they have to be asked?

Mr. CHEVRIER: An application must be made, and if my hon. friend looks at the judgment, particularly on page 81 and page 82, he will see where the chief commissioner deals with that point.

Mr. CRUICKSHANK: Will the minister permit a question?

Mr. CHEVRIER: I have just a few moments left.

Mr. CRUICKSHANK: None of the provinces asked that it be considered?

Mr. CHEVRIER: No, just the very opposite happened. Counsel for British Columbia, counsel for Manitoba, and counsel for Alberta stated that the application which was being considered was not one having to do with the equalization of rates or having to do with discrimination, if I may use an expression that has been used this evening, but that they intended at a later date to make application for that purpose.

Mr. CRUICKSHANK: I do not think that is correct.

Mr. HAZEN: Counsel for the maritimes said it was not to be horizontal.

Mr. CHEVRIER: Counsel for British Columbia stated, at page 106 of the judgment:

> This is not an application for the removal of the mountain differential by British Columbia. Our role is quite clear; we say there should be no increase in rates while the present inequality under which our people have been suffering remains.

Mr. COLDWELL: There is a charge of discrimination right there.

Mr. CHEVRIER:

> Removal of the mountain differential is something which must be brought up by a substantive application which, when our preparations are complete, I propose to launch.

Counsel for Alberta stated:

> We are not here now petitioning for the removal of the mountain differential nor to be relieved from discrimination which results from transcontinental rates.

Counsel for Manitoba stated:

> We have heard considerable evidence on this question of mountain differential; and aside from the argument, I do not think that this board has before it at the present time evidence upon which any finding could be made. That I submit would have to be a matter of investigation.

I bring that to the attention of the house not because I do not regard with a great deal of sympathy what has been said by various members in connection with that very matter, but I did want to say simply this, that the two are distinct and separate matters, one not necessarily relying upon the other, although one may affect the other, as has been clearly stated this evening.

My hon. friend the member for Vancouver East (Mr. MacInnis) stated that he did not object—I think I am paraphrasing his words—to an increase in freight rates as such, but that he objected to the inequalities which exist across the country. I do not wish to enter into a discussion of this and I said so at the outset; nor do I wish to be drawn into a discussion, for this reason, that there has been launched an intention to appeal by the maritime provinces, and I think, if it has not already been done, by the other provinces, save Ontario and Quebec. They have petitioned the governor in council that they intend to appeal the decision of the board, and I am afraid that anything I would say would be prejudging the case. I think, therefore, the house will understand that under the circumstances the best thing for me, or for that matter anyone speaking on behalf of the government, to do is simply to state that that petition, or that intention to appeal, has been launched. That being so, the petition will be dealt with when it is formally brought to the attention of the government. It will be carefully considered in the light of what has been said with reference to the increase as well as with reference to equalization.

Mr. COLDWELL: Will there be a stay in the increase of rates until the petition is received?

Mr. CHEVRIER: All I can tell my hon. friend in answer to that question is this—and I am sure he will agree with me that I could not say any more—that the application has not come formally before the government. Until it does come formally, I cannot make any statement as to whether that will be done or

not. All I can tell him is that when it does come formally before the government it will be examined carefully in the light of the application itself and the petition, as well as in the light of the discussion which has taken place this evening.

Mr. LOW: Is it within the power of the government to stay the application of the new rates?

Mr. CHEVRIER: If my hon. friend looks at section 52 of the Railway Act he will find the procedure with respect to appeal clearly set out therein. A decision will in due course be reached and I am sure it will be announced later.

Mr. SHAW: May I ask one question? Will the one lodging the appeal be notified when the appeal is being heard by the government; and will that province, or whoever the applicant may be, be granted an opportunity of appearing before the government or a committee of the cabinet? I know of one case where that was not done and the decision was rendered without the applicant knowing anything about it.

Mr. CHEVRIER: I know the case to which the hon. gentleman refers. If I am not mistaken, he refers to a case where a railway line had been abandoned in a certain part of Canada.

Mr. SHAW: I lodged the appeal.

Mr. CHEVRIER: Well, the procedure there is not the same as in the present case. If the hon. member will look at section 52 of the Railway Act referred to this evening by several hon. members he will find the procedure set out therein.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, I am sure the members of this house and those who read the debates will feel disappointed in the kind of reply we have received from the Minister of Transport (Mr. Chevrier). Surely, in a matter admittedly as important as this, in fact so important that a fairly substantial number of the members who normally support the government have risen in their places and taken an opposite stand, the minister should have given the house more than he did in his brief and cursory statement. The chief point he raised was his contention that the question of discrimination was not part and parcel of the whole question of a general increase. He made out that because the application itself did not mention that, or did not make direct reference to the differentials or the discrimination, therefore the board could not take that into consideration. I do not know on what legal grounds he makes that sort of plea.

Mr. CHEVRIER: No. My hon. friend is misquoting me. I did not make that statement. What I did say was that counsel for the various provinces made the statement, and I quoted their words.

Mr. ZAPLITNY: I would assume that the reason the minister quoted the words of counsel which suited him—and incidentally he did not quote the words of all the counsel who were there—was that he wished to make that sort of argument. I do not know of any other reason he would have.

Mr. CHEVRIER: I am sure the hon. gentleman does not want to be unfair to me.

Mr. ZAPLITNY: No.

Mr. CHEVRIER: I was replying to a question that had been asked me.

Mr. ZAPLITNY: I believe the question was put directly to the minister while he was speaking, as to whether he did not think there was a connection between the two matters. If I understood him correctly, his opinion was that the question of discrimination or differentials would have to go by itself in a separate application before the board, before it could be properly considered. That, of course, is only an incidental. I am sure the minister must have a copy of the submissions of the Manitoba government in this matter. If he will turn to page 59 he will find that there is a summary of the previous decisions of the board. It goes back as far as 1914, and goes on to 1916, 1918, 1920, 1922 and 1927. In practically every case the decision by the board involved the question of differentials as to different parts of the country. For example, in 1917 there was an increase in the passenger and freight tolls, in what was called the 15 per cent case.

> . . . there was a further recognition of the disparity between the east and the west—

I am quoting now from the submission.

> —and in that case the western rates were raised 10 per cent only, whereas the general bulk of eastern rates were raised 15 per cent.

That in itself is an admission that the board was quite competent to take into consideration all the factors that go into the making of freight rates. Surely in the evidence that was given before the board of transport commissioners there were plenty of arguments to show that there was discrimination and that there was need for an overhaul of the system of freight rates in itself. I believe the board

was quite competent to make that recommendation or that change. But the question that is still left hanging in the air is this: What is the government going to do in this matter on its own responsibility?

Many of us were anxious all during the session last year, and in the session so far this year, to say something in the house about this question, but we were prevented from doing so by the rules of the house inasmuch as the matter was then before the board, and it was ruled that it was of the same nature as being before the courts. We felt that at the first opportunity which presented itself we would get from the Minister of Transport, who, after all, is most closely connected with this matter, a full explanation of all the factors which went into the making of this decision. I believe the house is entitled to that sort of statement, and the country is certainly anxious to have it. All one has to do is to look through the headlines of the newspapers across Canada, since the decision was rendered, and he will see that the people of Canada are anxious to know the basis on which that decision was arrived at; if the government—which, after all, has the final responsibility—is in favour of the decision made; and if not, what is it going to do about the matter? Yet all we get from the minister today is a brief and sketchy statement saying that in his opinion there are two matters involved, and that we must not confuse them.

Mr. CHEVRIER: I gave the hon. gentleman the reasons why I could not at this stage make any comment other than that which I made.

Mr. ZAPLITNY: If the minister gave any valid reason as to why no comment could be made, it certainly missed me; because this debate has been going on all afternoon and statements of various kinds have been made from all parts of the house. If it is within the rules and within the rights of the members on this side of the house and of all private members on the other side of the house to make arguments and submissions either to justify the increase or to take the opposite stand—as we in this group have taken—then surely it is also within the competence of the minister. Surely he has just as many privileges in this house as has any other member and he should not feel backward or bashful. He is generally not bashful in this house, but on this occasion he appears to shy away from the question and try to leave it hanging in the air.

Time will not permit me, Mr. Speaker, to say all the things I wanted to say in the first place, because it is now almost eleven o'clock. I only wish to say that I concur most heartily with what the leader of this group said; and I believe he has performed a public service to this country in raising the question today. I am disappointed, and I am sure the house generally is too, that the minister did not rise to the occasion to justify the action taken by the board.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: Tomorrow we shall deal with the matters we intended to deal with today, the first being the second reading of Bill No. 7, to provide for assistance to the gold mines; then, after that, the resolution for the introduction of a bill to amend the Industrial Relations Act, in order to try to get that bill to the industrial relations committee for consideration. After that we shall take the resolution for the introduction of a bill to modify the War Veterans Allowance Act because that also is required to go to a committee for consideration, namely the committee on veterans affairs. When those two matters have been disposed of, we shall take up the resolution standing in the name of the Prime Minister, to appoint a joint committee of both houses of parliament on human rights.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, April 6, 1948

The house met at three o'clock.

PRIVILEGE

THE PRIME MINISTER—PRESS REPORT OF SPEECH OF MR. PEARKES IN VANCOUVER

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise on a question of privilege concerning a matter which is in the nature of a reflection upon myself as an hon. member of this house and as Prime Minister and which I think might well be resented as an indignity against the house itself. I refer to a report of a speech that was made by the hon. member for Nanaimo (Mr. Pearkes) which appears in the Vancouver *Daily Province* of Wednesday, March 31, 1948. The heading is, "Pearkes claims Mackenzie ousted over pensions". The article is by Gordon McCallum and it reads:

A Canadian war hero member of parliament charged Tuesday night that Right Honourable Ian Mackenzie was ousted from the cabinet because he rowed with Prime Minister King over the size of veterans pensions.

Major-General G. R. Pearkes, V.C., Conservative member of parliament for Nanaimo, told a Vancouver Centre Conservative nomination meeting: "Your member fought to get a better increase in pensions than the Prime Minister would authorize. His reward was, 'Thank you. Now get out. You will go to the senate. I will get my former private secretary in your place.' I will defy anyone to contradict that this is what happened."

I say to the hon. member for Nanaimo that I contradict his statement wholly and completely; there is not one word of truth in it from beginning to end. The circumstances under which Mr. Mackenzie tendered his resignation and which led to my recommending His Excellency to appoint him to the senate appear in an exchange of correspondence that took place between us and which is published in *Hansard* of Monday, January 26, 1948.

At no time have I had a word of difference with the former minister of veterans affairs over any questions relating to pensions for returned soldiers. Indeed I think the former minister will say that he had not a stronger supporter than myself in all the legislation which he brought forward during the time he was in office to improve the condition of the war veterans.

As for the selection of the Liberal candidate in the constituency, I let it be known publicly that I wished to have nothing whatever to do directly or indirectly with directing the choice by the Liberal convention of the candidate who was to contest that riding. I did not seek to influence, nor did I influence either directly or indirectly, the choice of the convention when it selected Mr. Campney as the candidate.

PRIVATE BILLS

REFERENCE OF PETITION TO COMMITTEE ON STANDING ORDERS

Mr. MAURICE HARTT (Cartier) moved:

That the petition for divorce of Lillian Helena Gross Page, presented on April 5, 1948, together with the report made thereon by the clerk of petitions, be referred to the standing committee on standing orders for such recommendations as may be deemed advisable.

Mr. HOMUTH: It is too late; it is out of order.

Motion agreed to.

FIRST READINGS—SENATE BILLS

Bill No. 185, for the relief of Francis Clyde Peachey.—Mr. Boucher.

Bill No. 186, for the relief of Harriet Dodd McLachlan Cummings.—Mr. Maybank.

Bill No. 187, for the relief of Phyllis Smith Curtis.—Mr. Maybank.

Bill No. 188, for the relief of Jacqueline Louise Waddington Skinner.—Mr. Maybank.

Bill No. 189, for the relief of George Malouf.—Mr. Maybank.

Bill No. 190, for the relief of Sonja Anna Margaret van der Walde Brown.—Mr. Maybank.

Bill No. 191, for the relief of Richard Edward Welsh.—Mr. Maybank.

Bill No. 192 for the relief of Violet Maude Mitchell.—Mr. Maybank.

Bill No. 193, for the relief of Elsie Williams Lodge.—Mr. Maybank.

Bill No. 194, for the relief of Joseph Albert Aldee Leveillee.—Mr. Maybank.

EXTERNAL AFFAIRS

SUGGESTED FIXING OF DAY FOR DEBATE

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I note that the Prime Minister is back after what seemed to be not just an ordinary holiday but very much like a busman's holiday, judging from what we read in the press. I do not see how he could have had much leisure on such a trip. In view of the fact that he had discussions with the President of the United States and perhaps with officials at Washington, I would ask the Prime Minister if he is now ready to fix a definite day next week for the discussion of external affairs in the House of Commons.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend will remember that I did say that we would take up external affairs as the first department to be considered under estimates, and that the estimates would be taken up next week. I hope that one or two departments might be brought in by an item being called this week, so that we may proceed either on Monday or Tuesday of next week with the discussion of external affairs.

BY-ELECTIONS

INQUIRY AS TO VANCOUVER CENTRE AND ONTARIO CONSTITUENCIES

On the orders of the day:

Mr. GORDON GRAYDON (Peel): Mr. Speaker, the Prime Minister a few moments ago brought up the question of the Vancouver South by-election.

Mr. CRUICKSHANK: Has the hon. member for Vancouver South resigned?

Mr. GRAYDON: May I ask the Prime Minister why the by-elections in Vancouver Centre and Ontario were not announced at the same time as the Yale by-election?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It was thought more advisable to announce Yale first.

Mr. GRAYDON: May I suggest to the Prime Minister that from the information I have the situation is getting worse for the government every day these by-elections are postponed.

Mr. CRUICKSHANK: May I direct a supplementary question to the Prime Minister? Has the hon. member for Vancouver South been kicked out or has he resigned?

[Mr. Homuth.]

WHEAT

QUESTION AS TO PROCLAMATION OF WHEAT BOARD ACT AMENDMENTS

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, may I ask the Minister of Trade and Commerce if Bill No. 135, dealing with amendments to the wheat board act, has been proclaimed in whole? If not, why not, and when can the house expect the proclamation?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, as I understand it, no proclamation is required.

Mr. BENTLEY: May I ask a supplementary question of the Minister of Trade and Commerce or the Minister of Agriculture? In view of the statement that Bill No. 135 has not been proclaimed, has the government taken any steps to bring oats and barley under the operation of the wheat board?

Mr. HOWE: The bill provides that the government may by order in council bring marketing of barley and oats under the wheat board in any year beginning August 1. There seems to be ample time between now and then to take whatever steps may be considered appropriate.

NATIONAL FILM BOARD

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): May I ask the Prime Minister if the government will give consideration to setting up a special committee of inquiry into the operations of the national film board?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government will be pleased to give consideration to the matter and I will give my hon. friend the result of that consideration in a day or two.

LABOUR CONDITIONS

DEEPSEA SHIPOWNERS AND DECK, ENGINEER AND WIRELESS OPERATORS—UNION PROPOSALS FOR ARBITRATION

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I should like to ask a question of the Minister of Labour. He said in reply to a question I asked him on March 24, regarding the union proposals for arbitration

in the seamen's strike, that he was awaiting a reply from the shipowners. Can the minister now tell the house what is the attitude of the shipowners to the arbitration proposal?

Hon. HUMPHREY MITCHELL (Minister of Labour): My hon. friend is in error in referring to it as the seamen's strike. It is a strike of the deck, engineer and wireless officers. I have a statement on the position at the moment which I shall now give to the house.

In reply to the question of the hon. member for Vancouver East, members will recall that all issues in dispute between the two federations representing deepsea shipowners on the east and west coasts and the three unions representing the licensed deck, engineer and wireless officers of their Canadian-registered ships were fully considered by Mr. Justice D. A. McNiven, of Regina, acting as an industrial disputes inquiry commissioner.

In spite of his patient and painstaking efforts, the commissioner was unable to secure a settlement of the dispute and submitted his report to the Minister of Labour on January 22.

The recommendations made by the commissioner were used as the basis of further direct negotiations, which took place between the parties at Vancouver during February. These direct negotiations broke down early in March, at which time the shipowners announced that they were putting into immediate effect all of the recommendations of Mr. Justice McNiven except two, which involved the payment of an overtime allowance to radio officers and the deck and engineer officers' security watch abroad. The officers' unions held out for the adoption of all of the commissioners' recommendations, together with overtime pay on an hourly rather than a lump sum basis, "pro rata" leave in connection with annual vacations with pay, and other concessions.

A strike was called on March 3 upon all ocean-going dry cargo vessels touching Canadian ports, and up to date about thirty-two vessels have been immobilized.

Subsequently, both sides to the dispute sought the assistance of the Department of Labour and everything possible has been done to bring the parties into agreement. Various arbitration proposals were put forward from union sources, and on March 25 the Minister of Labour formally suggested to the shipping operators that they authorize him to approach the unions with an offer of an immediate return to work by the officers conditional upon acceptance of the employers' Vancouver offer of March 1, together with arbitration of the questions of hourly overtime pay and pro rata leave. This was done in the belief that the suggestion was capable of bringing about an early settlement, and that it was not unreasonable since it was felt that the two points on which arbitration was proposed were rather minor ones.

On March 31 the two federations of shipowners informed the Minister of Labour that they were now prepared to accept the recommendations of Mr. Justice McNiven in their entirety providing the ships' officers now on strike did likewise and returned to work forthwith, and provided that the provisions of the commissioners' recommendations should remain in effect until January 31, 1949. The owners were not prepared to arbitrate any issues not recommended for adoption by the commissioner.

With regard to a suggestion by the unions that all officers should be reinstated without discrimination and that those on articles should not be penalized under the provisions of the Canada Shipping Act, the operators maintained that they should not be asked to condone what they described as the illegal actions of officers who had broken their articles of agreement.

I should add here that one of the twenty-six companies involved in the dispute, the Federal Commerce and Navigation Company Limited, with the assistance of the department reached an agreement with its employees which has been endorsed by the unions concerned, and I had word from the company this morning that its "ships sailed over the week-end".

This single settlement provides that all of Mr. Justice McNiven's recommendations will be implemented; that final and binding arbitration will take place on the questions of hourly overtime pay and pro rata leave; and that so far as the Federal Commerce and Navigation Company can influence the matter, there shall be no penalization of officers under the Canada Shipping Act, and the company will not discriminate against its employees for having engaged in strike action.

Assurances have been received from two of the officers' unions, namely, the Canadian Merchant Service Guild and the National Association of Marine Engineers, that if the east and west coast shipowners will agree to the same terms as the Federal Commerce and Navigation Company, the strike will be terminated immediately.

The latest word from the shipowners' federations, received on Saturday, is that they are not prepared to go beyond their offer of March 31, and that they consider their "final position" to be in the long-term public

interest. They also submitted that their willingness now to accept in full the recommendations of the commissioner absolved them from any suggestion of being unreasonable or arbitrary in refusing to accept arbitration of other issues which were fully considered by Mr. Justice McNiven and which, if conceded, might endanger the competitive position of Canada's merchant marine.

The principal recommendations contained in the commissioner's report were that:—

1. The basic wages of officers holding certificates should be increased by from $20 to $25 per month—and, in the case of deck and engineer officers who have completed certain periods of continuous and satisfactory service with the same company, increases up to $35 per month should be granted.

2. Stipulated lump-sum amounts of overtime pay should be paid to deck, engineer and radio officers as compensation for all work performed in addition to watch-keeping duties.

3. Longer vacations with pay should be granted.

4. Compensation should be made for loss of personal effects in the event of marine disaster.

5. Allowances should be made for deck and engineer officers' security watches abroad.

6. Concessions as to wages and annual leave should be made retroactive to October 15, 1947.

7. No concessions should be granted in respect of union security beyond the existing recognition of the unions concerned as sole bargaining agents for licensed officers, coupled with the preferential hiring of union members.

INQUIRY AS TO LABOUR CODE

Mr. KARL HOMUTH (Waterloo South): I should like to ask the Minister of Labour this question. How soon can we get the labour code before our committee? It is most important, particularly in view of the fact that some of the provinces—

Mr. SPEAKER: Order.

Some hon. MEMBERS: Order.

Mr. HOMUTH: —some of the provinces—

Some hon. MEMBERS: Order.

Mr. HOMUTH: Oh, nuts to you.

Hon. HUMPHREY MITCHELL (Minister of Labour): May I say this to my honourable and genial friend: if the opposition had made shorter speeches and less repetition it would have been before the committee long before this.

[Mr. Mitchell.]

PARLIAMENT HILL

REGULATION OF SPEED OF MOTOR VEHICLES

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): I want to make a suggestion to the Minister of Public Works (Mr. Fournier). I suggest that something be done with regard to the speed of the cars that are operating around the parliament buildings. Many of the vehicles are departmental trucks. We are very fortunate that we have not had some disaster because of the speed at which they operate. The Minister of Public Works ought to take this suggestion into consideration and slow them down.

Some hon. MEMBERS: Question.

Mr. HOMUTH: Well, now, don't get impatient. I have had a lot of patience with some of you people.

BUTTER

SALES IN DRUG STORES AND JEWELRY STORES

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Finance arising out of press dispatches to the effect that drug stores and jewelry stores in the city of Montreal were offering a pound of butter as a premium on any purchase of luxury goods over $7. Has this matter been drawn to the minister's attention? If so, has an investigation been made, and is the minister in a position to inform the house as to whether there is any truth in these dispatches?

Hon. DOUGLAS ABBOTT (Minister of Finance): The matter was brought to my attention. The wartime prices and trade board are making an investigation, and I am also told that the matter has been considered by the prices committee. On March 31, I think, the chairman of the prices board issued a statement to the effect that this practice was viewed with disfavour; that if it became widespread some positive action would have to be taken by the board to prevent it. My present information is that it has occurred in only two instances, a drug store and a jewelry store, and that a limited quantity of butter was involved. The investigation is proceeding, and if it is found that there is any infraction of ceiling prices, appropriate action will be taken.

Mr. GRAYDON: Where in the world do the stores get the butter?

Mr. ABBOTT: They buy it from the wholesaler.

IMMIGRATION

INQUIRY AS TO MISSING FORMS FROM RECORDS OF CANADIAN-EUROPEAN IMMIGRATION TEAMS

On the orders of the day:

Mr. L. W. SKEY (Trinity): Mr. Speaker, my question has to do with immigration. I suppose it should be addressed to the Minister of Trade and Commerce in the absence of the Minister of Mines and Resources.

Mr. MACKENZIE KING: To the Minister of Fisheries.

Mr. SKEY: It has to do with the application for admission to Canada of relatives of Canadian citizens and residents. My question is this: will the minister investigate and advise the house regarding the present situation, which seems to be that a number of papers and approval forms are missing from the records of the Canadian-European immigration teams?

Hon. J. A. MacKINNON (Acting Minister of Mines and Resources): If the hon. member will give me more definite and particular information it would assist in the inquiries that I should be glad to make.

REQUEST FOR AUGMENTATION OF STAFF OF INSPECTORS

On the orders of the day:

Mr. DONALD M. FLEMING (Eglinton): May I direct a question to the Acting Minister of Mines and Resources concerning an immigration matter? Will the minister give immediate consideration to the augmentation of the staff of immigration inspectors at places on the frontier where trains are entering Canada with immigrants from abroad, so that the delays which are now occurring at the borders, as the present inspectors complete their work on the trains, may be obviated? On Sunday morning I was on a train that was held up for two hours at the border while the existing staff was trying to carry on work that should have been done by a staff three times its size.

Mr. CRUICKSHANK: You are making a speech. You should have given a talk on freight rates yesterday.

Hon. J. A. MacKINNON (Acting Minister of Mines and Resources): The matter has been discussed with the officials of the department and the discussions are continuing.

POTATOES

REQUEST FOR MARKET FOR SURPLUS IN WINNIPEG DISTRICT

On the orders of the day:

Mr. WILLIAM BRYCE (Selkirk): I wish to direct a question to the Minister of Trade and Commerce or to the Minister of Agriculture. What steps, if any, are being taken to find a market for the 300 carloads of surplus potatoes produced in the greater Winnipeg district?

Right Hon. J. G. GARDINER (Minister of Agriculture): I have no information on the matter. I will get whatever information there is and answer the question later.

BUDGET

INQUIRY AS TO PROBABLE DAY OF PRESENTATION

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): I should like to ask the Minister of Finance two questions. First is it possible for him yet to give any indication as to when the budget will be brought down?

Hon. DOUGLAS ABBOTT (Minister of Finance): I am not yet in a position to make any definite statement as to when the budget will be brought down.

INCOME TAX

INQUIRY AS TO SENDING OF BILL TO COMMITTEE

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): Has the Minister of Finance made up his mind yet whether the new income tax bill can be referred to the committee as promptly as possible—if necessary, even before the budget comes down?

Hon. DOUGLAS ABBOTT (Minister of Finance): I am not in a position to say whether the new income tax bill will be referred to a standing committee or whether it can be considered in committee of the whole. I may add that we have received, as I said before, a great many representations and written submissions in connection with the income tax bill from representative groups such as chartered accountants, members of the Canadian Manufacturers Association and others, and it may well be that the field has been so fully covered it will not be necessary to submit it to a special committee.

Mr. MACDONNELL (Muskoka-Ontario): I am sure the minister will remember that it is almost two years since his predecessor assured the house that this new income tax bill would be dealt with within a year.

Mr. ABBOTT: It will be dealt with this year.

HARBOURS

GODERICH, ONT.—RELIEF IN RESPECT TO DAMAGE BY FLOOD WATERS

On the orders of the day:

Mr. L. E. CARDIFF (Huron North): I should like to direct a question to the Minister of Public Works. Due to the fact that much damage has been done to the harbour at Goderich by flood waters, has the minister or his department given consideration to granting immediate relief for the damage done?

Hon. ALPHONSE FOURNIER (Minister of Public Works): Immediately the damages occurred at Goderich officials of the department were sent out to make inquiries, and I am informed that they will start repairs to the piers as soon as the level of the water has gone down. I received no notice of this question, but I shall give further information to the hon. member later.

OSHAWA, ONT.—QUESTION AS TO DREDGING

Mr. A. L. SMITH (Calgary West): May I ask the Minister of Public Works a question? Has he yet learned from the Minister of Trade and Commerce (Mr. Howe) of an undertaking given by him in Oshawa a few days ago to dredge the harbour there? It is in the county of Ontario.

Hon. ALPHONSE FOURNIER (Minister of Public Works): There are so many requests for dredging of harbours throughout the country that the minister may have told me of this instance. He has asked for many similar works and I cannot recall them all.

Mr. KNOWLES: After all, he is the minister in charge of by-elections.

MARSHALL PLAN

INQUIRY AS TO CANADIAN PARTICIPATION

On the orders of the day:

Mr. GORDON GRAYDON (Peel): On two different occasions earlier in the session the leader of the opposition directed a question to the Secretary of State for External Affairs asking that some statement be made with respect to Canada's participation in the Marshall European recovery plan. Because of the developments in the United States I should be very glad if the Secretary of State for External Affairs—or the Minister of Trade and Commerce, who, according to the press, appears to have something to do with the matter now—would give the house some statement in respect to the possibility of our participating therein.

[Mr. Abbott.]

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am not sure that I understand exactly the purport of the hon. member's question. There can be no further aid extended to foreign countries without legislation in parliament, and no such legislation has yet been prepared. If any is to be brought before parliament of course it will be announced in due course.

If the hon. member's question has to do with what prospects there may be of purchases in Canada out of the amount that is reserved or earmarked for so-called offshore purchases, that is something about which I would not be in a position to make an estimate.

Mr. GRAYDON: I understood from the press that a move has been made either by the United States government or by this government to have a conference between the officials or the ministries of the two countries with regard to the Marshall plan, and that is what I had in mind at the moment.

GOLD MINING

EMERGENCY PAYMENTS TO ASSIST IN MEETING INCREASED COST OF PRODUCTION

The house resumed from Friday, December 19, 1947, consideration of the motion of Mr. Abbott for the second reading of Bill No. 7, respecting emergency payments to assist in meeting increased cost of production of gold.

Mr. ALAN COCKERAM (York South): Mr. Speaker, in the radio broadcast made by the Minister of Finance (Mr. Abbott) on November 17 he announced a policy of bonusing the gold mines in order to assist them in the difficult days through which they were passing, and in that broadcast the amount of $7 was the figure which it was proposed at that time to give by way of bonus to the mines. Owing to objections of officials at Washington, however, this was changed and a new scheme of bonusing was brought down, as contained in this bill.

The gold mining industry as a whole is opposed to being bonused, for the simple reason that it makes them the creature of the government and possibly allows the government in days to come to interfere with the management and with the manner in which the business is to be carried on.

The bonus that is now being considered in this bill is in my opinion of some help to the industry but it is not of any great assistance. Most of the mining companies have already passed this bonus on to their labour, for from January 1 the increase in wages in Ontario and

Quebec has more than absorbed the total amount of the bonus payable under this bill.

Many discussions have taken place regarding the state of the gold mining industry and it was only during the last session when this matter was before the house that I brought certain aspects of the situation to the attention of the Minister of Finance, and I remember that on one occasion he stated that I was talking for Bay Street. However, I was glad that in November the government had come to realize that the industry was in a very unsatisfactory condition and that it was necessary for the government to give it some assistance.

Some of the gold mining companies have suggested various plans, one of which was of course the free marketing of gold. I am not going to talk about that today. My only point is that there may be some place in the world where some or all of our gold can be sold at a price higher than $35 and the proceeds from these sales converted into United States dollars, and the excess paid to the producer.

The troubles of the industry started in 1946 on the day when parity was brought about by the government in arbitrarily placing the Canadian dollar on a parity with that of the United States. I have said before that the industry did not want this bonus. It was not their idea but the idea of the government, and the industry feels that this bonus is being given at this time to make up in some small degree for the placing of our money on a parity with that of the United States.

I think at this time I should say something about the industry itself. Many people, and especially members to my left, seem to think that only a few wealthy shareholders of producing gold mines are the ones who will benefit by any bill such as that which is before us at this time. In this connection it might be pointed out that there are from 250,000 to 300,000 registered shareholders of Canadian mines, and one has only to look at the shareholders list to see the size of the blocks of shares. One company of which I have some knowledge has approximately 8,000 shareholders of whom there are only a few hundred having more than 500 shares of stock, the majority of the shareholders holding less than 100 or 200 shares.

I bring this question up now because I am of the opinion that this bill is quite necessary at this time so that the industry may at least get some help from the government to carry them on the road to recovery. Probably few members, and few people in this country, have a knowledge of the broad effect of our gold mines on the Canadian economy. It is too early to give many figures for the year 1947, but I have one or two figures here with regard to purchases and expenditures of some of the Canadian mines. I would take as an example the Sigma mines operating in the Bourlamaque area of the province of Quebec. Last year they made purchases from 353 individual suppliers in 96 different municipalities. The Noranda mines during the year 1947 paid for operating supplies $12,420,000, for freight and transportation $1,150,000 and for hydro power $1,012,000. Approximately 96 per cent of the total expenditures of Noranda and its subsidiaries was spent in Canada, and these orders were distributed to 1,200 firms, providing employment for men and women living in 140 Canadian towns and cities.

Two of the corporation's comparatively small subsidiaries accounted for approximately $600,000 worth of supplies, which included such items as metal products, equipment, explosives, lumber and timber, reagents and chemicals, electrical equipment and supplies, air operated equipment and parts, pipe and fittings, fuel, petroleum products, rubber products, paints, and a great variety of other items.

It may interest hon. members of the house to know some of the communities which benefited from these purchases. The principal communities in Ontario, for instance, were Amherstburg, Baden, Belleville, Blind River, Bowmanville, Brampton, Brockville, Cobalt, Cooksville, Dundas, Eganville, Fort Erie, Galt, Gananoque, Niagara Falls, Peterborough, and many others. In Quebec the purchases were made at such places as Beloeil, Joliette, Sorel, Lachine, La Tuque, Montreal, Rock Island, and Shawinigan Falls.

I have given these figures to show what this industry means not only to the people who work in the mines but to those who work in the factories that supply the necessary tools and equipment to keep the mines going. Then on top of that, with the millions of dollars paid out in wages, there is the great purchasing power built up by the workers for such things as clothes, furniture and other household effects that have to be purchased by the people living in the mining districts. On top of that the government received a great deal of the money from the dividends paid, and the government receives large sums in taxes on the profits of the operating companies. I have given these figures to show that this industry must get some support from the government.

There are only two or three ways in which they can help. We realize that. A great deal has been said about it in this house. The mines' trouble started from the day our money was put at parity. I am one of those who believe that if the industry is to get back on its feet one of these days some consideration must be given to allowing our money to get to the place where it properly belongs, namely, the price that people are willing to pay for it. We can also receive help by an increase in the depletion allowance and by decreasing costs. I think the majority of us who are in the business today are hopeful that costs will come down, but they will not do so in the immediate future. If the mining industry is to survive, costs must be brought down or we must get an increase in the price we receive for our gold production. We know that the Canadian government alone cannot bring about an increase in the price of gold. We saw what happened even at a time when they wished to pay $7 an ounce; there was interference by Washington.

The minister has had many interviews with people interested in the industry, and he has some idea of what is at the back of their minds in respect to this bill. There are one or two sections in it to which they have asked that some further consideration be given. One of them is in respect to the commencement date, which is to be from December 1. The industry thinks that date should start from January 1, because of the fact that for the majority of the mines their fiscal year closes on December 31.

With regard to another section of the bill, I should like to read a resolution that was passed at a meeting of gold producers, at which were represented the companies which produce 86 per cent of the gold in Canada. The resolution, which dealt with section 3, subsection (b), read as follows:

> Therefore be it resolved that immediate representation be made to the dominion government that clause 3 (b) of the said Bill 7, together with any other clauses having similar application, be amended to provide for the application of subclause (a)—

Mr. SPEAKER: Order. May I suggest to the hon. member that if he wishes to deal with the sections of the bill, he can do so when we are in committee.

Mr. COCKERAM: I will do as you request, Mr. Speaker. The minister has some knowledge of the section to which I refer. In view of the fact that the mining companies as a whole have always passed on to the men working for them the bonus that is now before the house, it seems to me that the help which this bill was intended to give, in order to produce a greater amount of gold, has been pretty well shot. When we are dealing with the sections of the bill I will have something further to say on the matter.

One question which is causing a great deal of concern is the matter of the regulations under this bill. As is well known to the minister and the officials of the Department of Mines and Resources, during the war and subsequent thereto the mines have had to forgo the extensive development which ordinarily they would have carried on. Before the United States came into the war the mines produced double their normal production of gold for the benefit of the country, and their development suffered because they were unable to carry it on. Since the end of the war the mines had hoped that they would be able to catch up on development, but it will be a long time before the mines catch up with the development that was allowed to stand during the war.

In connection with the regulations, I suggest to the minister that he consider discussing this matter with some of the operating mines to make sure that the regulations which are brought into effect will not be too arduous. We are glad to see that the government has at last come around to the point of realizing that the industry must be supported, because for every one man operating in the mine, as has been said before in this house, ten people outside are dependent on him.

I do not propose to say anything else at this time, Mr. Speaker, but when the bill reaches the committee stage I shall have something further to say.

Mr. M. J. COLDWELL (Rosetown-Biggar): This is a most interesting proposal, Mr. Speaker, made by the government with respect to an industry in Canada. The hon. member who has just taken his seat (Mr. Cockeram) seemed to say at the outset of his remarks that while this bill might help the gold mining industry, it was really not as useful as he expected it might be. Yesterday we had a very interesting discussion on freight rates and how they affect the economy of our country. Today we are discussing the subsidizing of an industry which, were it not for the strange circumstances in which the world finds itself, could not be justified by any stretch of the imagination. However, I suppose the need for foreign exchange and the value of new gold in obtaining that foreign exchange is the plea advanced for the development and expansion of this industry. It is a strange reflection on human society, I think, that we should have a large number of efficient and valuable men engaged in extracting from mother earth a mineral which, as soon as it is taken from one hole, is

placed in another, apparently to remain there. I saw in a newspaper a day or so ago a statement that the accumulation of gold in the United States, I suppose mainly at Fort Knox, now amounts to something like $22,000 million.

Mr. ABBOTT: It is $22·7 billion.

Mr. COLDWELL: Apparently the United States is anxious to get gold, and as long as it is prepared to pay $35 an ounce it provides us with some needed foreign exchange. Having said that, however, I think this can be justified only if we accept certain considerations which should be fundamental to the granting of any subsidy of this kind, namely that the subsidy should not be used for the profit of the owners of the mines but should be granted only if we have not merely an understanding but a definite undertaking that the men engaged in the mining industry are paid decent and sufficient wages and work and live under decent and proper conditions. Those, I think, should be fundamental considerations in anything we do, because after all, in spite of what my hon. friend says, we are doing something very material for this industry.

May I say to the minister I have been told that when the representatives of the unions discussed this matter on one occasion with one of the ministers, I believe the Minister of Trade and Commerce (Mr. Howe), he was willing to accept the suggestion that some sixty per cent of the grants made by the government under a measure such as this should be used for the improvement of conditions of labour and of health, and the rates of pay of the men engaged in the industry. I say I have been told that; perhaps when the minister speaks a little later he will say whether or not that information is correct. In any case if this house is going to bonus this industry we should see to it that those who actually produce the wealth—the men who go into the bowels of the earth and risk their health, and indeed in some instances their lives, in the mining of gold—are adequately protected and adequately remunerated. I know conditions are very much better now than they were a few years ago, at least in the Ontario mines. I am not sure about the mines in some of the other provinces, for example the province of Quebec, where recently we have read of the reappearance of the scourge of silicosis. In any event, whatever we do in matters of this kind should be done with the distinct understanding, and, as I said, on the distinct undertaking, that a proper proportion of whatever aid is given shall be used for the improvement of conditions among those who risk life and limb and health in the mining of gold.

Mr. SMITH (Calgary West): How would you work that out? I am interested.

Mr. COLDWELL: Some of my friends on the Progressive Conservative side laugh when that question is asked.

Mr. SMITH (Calgary West): I did not laugh. I asked the question in all seriousness.

Mr. COLDWELL: No, you did not laugh, but I saw the hon. member for Rosedale (Mr. Jackman) laugh.

Mr. JACKMAN: On a question of privilege, Mr. Speaker, I resent these imputations.

Mr. COLDWELL: Then don't laugh.

Mr. JACKMAN: I will laugh if I want to. I am not laughing at you, particularly. I understand the hon. member for Rosetown-Biggar (Mr. Coldwell) very well, and I have no objection to engaging in parliamentary debate with him at any time at all. But for the hon. member to make such insinuating assertions is entirely out of order, and as a member of this house, Mr. Speaker, I ask you to protect me from any such imputations. I, together with my colleague, am interested in learning exactly how my hon. friend would work out this particular proposal, and I am listening intently to what he is saying.

Mr. COLDWELL: I do not profess to have expert knowledge of everything involved in matters that come before this house. I do believe, however, as I think every intelligent individual should believe, that to every problem there is a solution. At the moment I would not be prepared to place an ill-considered proposal before this house in connection with a matter of this kind. I have considered this question, however, and I believe that in drawing up the legislation or the regulations under the legislation it should be possible to achieve the objective I have in mind. I have sufficient confidence in the members of the legal staff of the House of Commons and the advisers to the government to say that in my opinion the problem is not insuperable, but that it can be solved if the minds of these gentlemen are directed to its solution. So I repeat, Mr. Speaker, that this should be a fundamental consideration in the giving of any aid to the mining industry.

Now I want to look for a moment at the statement made by the minister on December 19 last. I know I must not quote from a previous debate, as the minister reminded me yesterday.

Mr. ABBOTT: That was during the resolution stage of the same debate.

Mr. COLDWELL: I was going to say that the statement I wish to quote was made by

the minister during the resolution stage of this debate, so I do not think I shall violate the rules in referring to it. We are told that the first step in the calculation is to take half the amount by which a mine's cost of producing an ounce of gold in the year of payment exceeds $18 per ounce. I take it that if the cost of producing an ounce of gold is $28 the increase would be $10, and it would be half of that, under the conditions which follow, that would be the amount involved, in other words $5.

Mr. ABBOTT: That is so.

Mr. COLDWELL: Then the minister went on, at page 532 of *Hansard*:

Having obtained this basic rate of assistance in the case of the particular mine, it is applied to the amount by which production in the current year exceeds two-thirds of production in the base year, which is the twelve months' period ending June 30, 1947.

That is to say, one-third of the production in the succeeding year is then the amount by which the base year is exceeded?

Mr. ABBOTT: If the production in the succeeding year were exactly the same as in the base year.

Mr. COLDWELL: Then you take one-half of that third and reach the figure required for the calculation; is that right?

Mr. ABBOTT: The $5 my hon. friend gave a moment ago would be one multiplier, and if production were exactly the same, one-third of that production would be the other.

Mr. COLDWELL: Then the minister went on:

In the case of new mines, the payment as described above will be paid on the entire production in the first year, and in the two succeeding years on the amount by which current production exceeds two-thirds of the first year's production.

I wanted to look particularly at the very wide interpretation given the expression "cost of production". The minister had this to say:

In the new bill, "cost of production" of gold from a mine during any period is defined as "the costs incurred by the operator of the mine in, and properly attributable to, the production of gold produced from the mine during that period, and includes—

The inclusions are indeed inclusive.

—mining, milling, smelting, refining, transportation and administrative costs so incurred and so attributable, and includes such amounts in respect of depreciation, amortization of production of expenses, and costs of exploration and development in the mine as may be determined in accordance with the regulations, but does not include any amount in respect of depletion or off-property exploration and development, or, subject to the regulations, any amount not allowable as an expense or deduction in determining income from the mine for the purposes of the Income War Tax Act.

I think hon. members will agree that in this bill the cost of production is given a very wide interpretation. I should like the minister to correct me if I am wrong, but it seems to me that one of the dangers in these calculations is that instead of achieving what the government wants to achieve, that is, an increase in the production of gold, undue attention may be given by a mining corporation to development work in anticipation of future production and future profits.

Mr. ABBOTT: It would have to be in the mine.

Mr. COLDWELL: It has to be in the mine.

Mr. ABBOTT: No off-property exploration.

Mr. COLDWELL: That is what I understood. Does the minister think that this measure safeguards the country sufficiently against underground operations which would not produce the immediate results that are desirable but which might be undertaken in anticipation of a future rise in the price of gold, and therefore the country would be paying for development and expansion work upon which a corporation at some later date might reap $40 or $50 per ounce for gold instead of the $35 per ounce we now have?

Mr. ABBOTT: Yes. I do not think the incentive would be great enough to do that.

Mr. COLDWELL: I am glad to have the minister's assurance on that, because it was a point that was bothering me to some extent.

Mr. SMITH (Calgary West): What did the minister say?

Mr. COLDWELL: He said that the work must be done in the mine, and that what I have suggested could not be done because it would not fall within the definition which I read a few moments ago.

Mr. ABBOTT: I went further and said that I did not think the incentive would be great enough to justify doing exploration work and adding costs.

Mr. COLDWELL: That is a little different. The minister says he does not think the incentive would be great enough, but I take it that the possibility is there, even if the incentive may not be there.

Mr. SMITH (Calgary West): Do you mind if I ask a question? Surely in all mining operations you must lay out development ahead of you; you are not objecting to that?

Mr. COLDWELL: No, I am not suggesting that.

Mr. SMITH (Calgary West): What you are referring to is their going off some other place and starting to exploit it?

Mr. ABBOTT: That is prohibited.

Mr. SPEAKER: May I call the attention of the house to the fact that the debate is on the motion for second reading and an hon. member is permitted to speak only once. If an hon. member wishes to discuss the details of the bill or to get information with regard to the bill I suggest that he wait until we are in committee.

Mr. SMITH (Calgary West): I interrupted to ask a question. I was simply seeking information and I am not inclined to like being spanked. My intentions were good.

Mr. COLDWELL: I will take the responsibility, because I gave the hon. gentleman permission to ask a question when I sat down. I realize that we are both violating the rules.

Mr. ABBOTT: I was at fault too.

Mr. COLDWELL: Your Honour was quite right to call it to our attention. Now we have that point cleared up. There may be pressure—and I do not mean just pressure from interests; I mean pressure because of need for foreign exchange—to do something of this sort. But to my mind it is a strange thing that governments can provide legislation, can provide bonuses, can provide subsidies for powerful mining interests, and yet cannot pay the same kind of subsidies when it comes to providing milk for the children of Canada. That is the thing that puzzles me about legislation such as this.

I think this bill should be gone into most carefully in committee. I suggest to the minister that some of the wealthy and remunerative mines which do not require this may receive benefits under the bill which are not warranted at the present time. I am certainly of the opinion that legislation such as this is less important than the social legislation which this house repealed during the last number of months in the form of subsidies, the maintenance of price ceilings, and so on.

It is a rather strange phenomenon that my hon. friends of the Progressive Conservative party who have been so insistent upon the removal of subsidies, price ceilings and so on should in such large numbers support subsidies for one industry in the country, namely, the mining industry. I say that is paradoxical, but it indicates that where your treasure is, there will your heart be also. I do not want to say anything more, but I do think that this bill should be considered carefully in committee.

Mr. SOLON E. LOW (Peace River): Mr. Speaker, like the hon. member for Rosetown-Biggar (Mr. Coldwell) I consider this bill a rather strange phenomenon. The government maintain tariff subsidies of many kinds and yet they declare their opposition to subsidies. They maintain home market subsidies that are paid for by the farmers so that all the people of Canada may have cheaper bread, and yet they oppose subsidies on selected products as the means of bringing down the cost of living. The government refuse point blank to use subsidies in peacetime to stimulate the increase in production of such vitally essential products as milk, which was referred to by the hon. member for Rosetown-Biggar, but now they bring in a bill to authorize the payment of subsidies for the purpose of stimulating the production of gold which nobody can eat, which nobody can wear, and which nobody can burn to keep himself warm. One is led to exclaim: Consistency, thou art a jewel.

If we on this side of the house were as inconsistent as the government we would strenuously oppose the passage of this bill. But we know that we live in a world of grim realities. We are facing serious problems and we know that we must do everything we can to make ourselves strong under the present system in order to be able to solve those problems. Evidently we will not be able to change the system as long as we have people on the other side who think as they do.

As long as there are countries which will buy our gold at a good price and pay us with valuable goods and services such as coal and oil and cotton, then it seems to me that Canada should produce all that Canada can produce in exchange for these commodities, and every means of inducing greater gold production should be thoroughly investigated. I am not suggesting that every means be used, but surely every means of inducing a higher production of gold in this country should be investigated and those means used which will be effective. I am of the opinion that an upward adjustment of price would be a better way of securing higher production, but Canada might find great opposition to using this means, particularly in view of certain statements that have been made in the United States.

We favour the proposed subsidy, but, Mr. Speaker, we protest in the strongest possible way against the government's unwillingness to apply exactly the same principle to other products which are much more essential for the ordinary citizen and his comfort. Sugar, I suggest, is one of those essentials. Why the Minister of Finance will subsidize gold production so as to obtain more United States dollars, and at the same time refuse to subsidize sugar

beet production so as to save $28,000,000 of United States dollars every year, or dollars that we have to obtain in some manner, is more than I can understand.

Mr. BLACKMORE: More than he can understand, too.

Mr. LOW: Surely United States dollars saved are just as good as United States dollars earned, and I maintain that if we save them by making ourselves self-sufficient in a product like sugar, that is even better because in doing so we are at the same time taking care of our own people in several different ways. And so with many other products. I think the minister and the government should get down off their high horse and admit that one of the best ways we know of to stimulate all-out production of many essentials of Canadian living is the wise and careful use of selective subsidies. We are in accord with the use of subsidies, and we shall vote for the second reading of this bill. We do submit, however, that in committee we should examine carefully the details of the various clauses of the bill and scrutinize every item to see whether or not it is justified.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I shall not detain the house very long. I think the hon. member for Rosetown-Biggar (Mr. Coldwell) has done an excellent job, but I could not let this opportunity pass without reminding the Minister of Finance that not so long ago when we were arguing in this house for a subsidy of about $5,000,000 which would have staved off a general strike in the coal mines of Nova Scotia, the Minister of Finance and the Minister of Trade and Commerce were adamant in their stand that no more subsidies were to be granted. The Minister of Justice also declared himself in no uncertain terms as absolutely opposed to the system of subsidies for any purpose.

It is rather strange that the Minister of Finance is not arguing his case very strongly today. I have read carefully the statement he made which was referred to by the hon. member for Rosetown-Biggar, and it sounds to me like a statement which the Prime Minister (Mr. Mackenzie King) drew up, because it is so ambiguous and subject to so many interpretations.

I am not objecting to this subsidy, because, as the member for Rosetown-Biggar has pointed out, while the rules of the game remain as they are, while you still maintain this old machine of free enterprise and try to hang on to the economics of capitalism, this is the way the thing has to be done. So long as the dollar remains predominant in our social order, you have to juggle with gold, dig it out of one hole and bury it in another, in order to keep that elusive dollar and maintain this old economy as long as it is possible to maintain it under present circumstances.

In reading over the minister's speech I notice that he has covered practically every item of expense of the operators, but let me warn him that he had better be careful whom he gets to administer the regulations and make sure they know something about mining and about cost accounting and about the loopholes there are in this legislation which will allow the mining industry to take the government for a ride on this subsidy arrangement. Let the government check back carefully on its experience with Dosco during the war, when like a babe in the woods they got into a subsidy arrangement and were taken for a ride on many occasions until they smartened up.

If I were the Minister of Finance and were making this kind of arrangement I would recommend to the cabinet that we might as well take the industry over because we are going to pay the shot anyway. There are many mining terms in the minister's speech, and I notice that the base period ends on June 30, 1947. I would ask the minister when he speaks to tell us if it is his intention to make this legislation retroactive to that base period. The reason I would like that assurance is that the miners' union in the gold industry has been endeavouring unsuccessfully for nearly two years to get a trade union agreement with the operators. They did have one but it ran out and they have not so far been successful in renewing it, and the miners do not know where they get off in the future as to wage rates.

Secondly, while every item of expense of the operators has been carefully considered in this arrangement, including the recent 21 per cent increase in freight rates, no consideration has been given to the welfare of the miners. Yet I do not suppose in the whole of Canada there is a section of any industry where the hazards are greater than in the gold and nickel mines in northern Ontario. Go through that part of the country and you will find hundreds of men in the forty-year age group who are suffering from silicosis. Once their disease is diagnosed as silicosis they are set to work on the surface. There is no pension arrangement for a man when he is retired from the industry, and there are practically no welfare benefits that accrue to him. I remember back in 1941 reading into the records of this house the will of a man in the mining industry who was suffering from

silicosis but he could never prove it to the satisfaction of the compensation board, so he willed his body to his friend to be dissected in order to prove that he had died from that particular disability and secure compensation for his widow and children. This is a sad commentary both on the mining industry and on the government of Ontario, which has jurisdiction in this matter.

Mr. MITCHELL: To be fair, I should state that the Ontario government was the first one to provide workmen's compensation against silicosis.

Mr. GILLIS: They may have given them protection before, but there still is no adequate protection. It is written into the act that silicosis is a compensatory disease, yes; but there is no adequate machinery provided today by the compensation board of this province which can definitely diagnose that disability in its early stages. They can say that he has a chest condition. Whether it is silicosis or not is decided only after a definite fight takes place to prove it. Do not forget that once a man is put on the surface because of a diagnosis showing that he has a chest condition, the final stage of silicosis is tuberculosis, and when the man finally passes away he has no compensation rights. You will find hundreds of men in the forty year age group in that northern country, victims of dust and so forth, relegated to the street without any means of protection, after the company is through with them and has taken whatever profits it can get out of their hides. If the minister had written into this particular subsidy—it should not be a one-way street; it should work both ways—protection for the miners who dig the gold, take the risks and sacrifice their health, it would partly meet our demands. If the minister had recommended that at least a portion of this subsidy should be used for the purpose of setting up adequate machinery for the diagnosis of silicosis, it would meet with our approval. That is one thing that should be done.

In the next place a pension plan of some kind on a three-way basis should be set up. It should be a contributory plan by the industry, the government and the men themselves against retirement or enforced retirement because of disability incurred underground. If the minister wrote these two things into the legislation he would at least be considering the large body of men who make it possible for us to have a mining industry in this country. The fellow who clips the coupons does not dig any gold; the fellow in the United States who makes the investment in Canadian industry is not digging any gold. It is the fellow who gets up at four o'clock in the morning, or the one who goes down on the graveyard shift, who digs the gold and makes it possible for us to have that metal at the present time in order to get United States dollars. I could say a whole lot about this arrangement—

Mr. SMITH (Calgary West): Are they working three shifts?

Mr. GILLIS: Yes. Let me read this to the minister. It consists of only two or three lines:

> Production expenses, and cost of exploration and development in the mine as may be determined in accordance with the regulations, but does not include any amount in respect of depletion or off-property exploration—

I would judge from that that exploration underground is not included. There is no such thing as underground exploration; it is a matter of developing ahead. Your shaft is sunk; your engineering plans are laid out, as indicated by the hon. member for Calgary West. You know where you are going. You know where the vein is going; in accordance with your engineering plans you develop that mine. I would judge that development which is the ordinary everyday business of the company is to be subsidized by the government, but any exploration of new properties that are off the mining property proper are not to be taken care of at all. If I were making the regulations I would say that it should be the reverse; that if the company has a mine sunk it knows where it is going; it has set its investment up for that purpose. The development of that particular mine is their business and it is good business for them to get as high production as possible out of that particular mine. But to find new gold and develop new properties is where the subsidy should be applied.

I am not going to argue any more. Before this legislation is finalized I would suggest that the minister give consideration to two points. Number one is this: if this industry is to be subsidized in order to get increased production, they should get their men together, sit down with them and settle the wage question and sign an agreement. Point number two is that consideration should be given by the department to the matter of setting up a general welfare plan in the community for the purpose of building up the morale of the workers in their homes and raising their standards, and recognizing them as human beings. If you are going to spend the taxpayers' money to get production, the man

who really goes down in the mine and digs the coal is the man who should get first consideration.

Mr. W. GARFIELD CASE (Grey North): I have listened to the leaders of the C.C.F. and the Social Credit party in their arguments that subsidies are being paid for gold but no subsidies for foodstuffs. I think we are overlooking this one fact. This industry is nationalized. I doubt whether the gold mines themselves would be interested in a subsidy for their product if they had a free market for their gold; but when you nationalize an industry and determine that there is only one source through which the product can be marketed, and the price is set by the purchaser, then I feel that the subsidy is indeed justified.

I am not greatly impressed by the criticism which is offered with respect to the position taken by the Progressive Conservative party in relation to the subsidy on gold. May I remind you, Mr. Speaker, that gold has been accepted as a standard of value since the days of the Egyptians; and all down through the ages the countries which had the gold were the leaders in commerce and in industry. It has been accepted as a precious metal, durable and convertible into the things which we need. Canada has been particularly blessed. We have vast resources of this very precious metal. Unfortunately some of our mines are what is referred to as sub-marginal. That gold in the rock is of very little value to mankind unless it can be mined or taken from the rock. It does seem unusual—yet it is true—that we should exhaust our energies and devote our time and talent and labour to the development or the mining of ore simply to store it in a vault. But that has been the accepted practice, particularly since gold has been nationalized and is used more or less as a monetary basis, irrespective of the fact that we are not on what we call a gold standard. Nevertheless it has a fixed value.

It is interesting to note that in Soviet Russia they are building up huge gold reserves; just how great, we do not know. But we do know that they have put a value upon gold possibly greater than any other commodity which they are able to use, inasmuch as they do know that the gold is exchangeable for all the other products which we desire. As a matter of fact I suppose if one were to delve into history he would find that we would never have had the so-called monetary system or the system of bank notes had it not been for gold.

Historians will tell you that in the early days when people carried their gold with them in little cubes, exchanges were made by barter and trade, and the difference was adjusted by paring or slicing off a piece of gold from one man's gold nugget and tamping it on to the other until the better traders presently found themselves with a volume of gold which was very difficult to carry about with them. Gold is a very heavy metal. I believe a fourteen-inch cube of gold weighs in the neighbourhood of one ton. So the next thing was to find a place to store the gold, and the logical place was with the goldsmith, the man who was making gold into beautiful ornaments, gold cloth and other materials which were in demand in those early days. By and by there came a time when a man had a certain amount of gold stored and it was generally understood that he had this gold, so that instead of adjusting his balance by paring off from his gold block and handing that to the other fellow, he simply issued an order on the goldsmith. As long as that order he had issued over his signature was accepted as genuine, the scrip, so to speak, was used just as we use our dollar bills or bank notes today, and it was passed on from one person to another and so made the free medium of exchange. That continued so long as there was confidence that the gold was there. That was the beginning of our monetary system.

Whether our monetary system has been good or bad, it has served a useful purpose all through the ages, and I for one have only one criticism to offer. I will go along with the hon. member for Cape Breton South (Mr. Gillis), that there should be set up certain parts of the bonus for the benefit of the miners who dig the ore, provided the bonus is offered straight across the board.

I cannot understand why we should undertake a measure of this kind, which appears so complicated on the face of it. Someone in days gone by used the term "too little and too late". It could be said that this measure is too confusing and too difficult of administration. It will lead to another great army of employees —I was going to use the word "bureaucrats", but that is being overplayed. At any rate it will lead to the employment of officials who must go from place to place, check with the mines, determine their production for the basic period and determine the bonus to which they are entitled.

I believe the minister was on the right track in his first approach to the problem. Just what Washington had to do with it, what right they had to interfere, is difficult for me to understand. I believe it was understood that we were setting up a free market for gold, or a market for gold in which we were paying more for gold than the United States. It was not clearly understood that our bonus was for native-mined gold whereby we could

stimulate the production and discovery of gold mines and the extraction of the precious metal from the rock. Had that been made clear it could have been accepted as a sound practice, inasmuch as it was an admission at the time, irrespective of the position the government took on the question of the parity of our dollar with that of the United States, that our dollar was not worth the amount of the United States dollar. It should have been understood that we were simply seeking to offset that condition and to encourage the production of a commodity with great quantities of which we have been blessed.

As a matter of fact, Canada should be in the first rank of the world's gold producers. It is true that we stand well up in comparison with other countries, but I would urge, and urge constantly, that every effort be made to give an incentive to those who are willing to go into the hinterland on prospecting tours to discover mines, and we should encourage capitalists or investors, in other words the public, to risk their capital in the development of the mines.

Our hon. friends to the left would have you believe that they can designate certain mines which indeed have made a success and are now returning substantial dividends to those who were willing to take a chance and invest their money, which was risk capital. But all you have to do is to pick up a mining handbook and read the names of hundreds upon hundreds of companies who received a degree of public support, raising millions of dollars for the development of gold mines, but were more or less a failure.

I believe it was Mark Twain who said that a mine is a hole in the ground with a large cover at the top. It would appear that in many mines an effort was made to secure risk capital and to develop these ventures, but they had little chance from the beginning. And yet that old incentive, that desire to discover some shortcut to fortune, is inherent in everyone who is at all human. We all like to feel that we have an opportunity to enrich ourselves without expending too much energy or too much labour in the accomplishment. The hon. member for Cape Breton South said that plans are made for the development of these mines and that they know where they are going. I doubt if that can be accepted as a fact, because, after all, all the veins are not visible on the surface of the rock. As the shaft is deepened and the tunnels made, crosscuts are made to discover other veins which might be below the surface. Diamond drills, of course, have made a tremendous contribution to the task and to the advantages which we have not heretofore enjoyed in the discovery of mines.

I say to the minister that we should not pick and choose. Whatever we are going to do for the gold mining industry should be done across the board. If we are prepared to pay $40 an ounce for native-mined gold we should not allow pressure from any source to prevent us from developing our own rich resources which we possess as a gift from God. We should encourage our people to take the chance to develop something which is accepted today as the standard of value and which will secure the very things we need most. In other words, so long as we have a good reserve of gold we need not worry a great deal about our position in relation to the United States dollar.

If we are to produce gold, and it is there to be produced, if we can store it against our foreign trade balances, and if we can seek to develop trade with those who are willing to trade with us, I am sure the situation in relation to the United States will in time adjust itself.

As a closing thought I again remind the house that we are confused in any criticism we offer with respect to the bonusing of gold if we overlook the fact that in 1932 the late President Roosevelt on becoming President of the United States nationalized gold, and since that time the gold clause has been removed from their bonds and from their currency. No longer do they promise to pay in gold. Since that time gold has had a fixed value but has had only one definite fixed market, one purchaser, and that is the national purchaser.

Because of that restriction, I say that the subsidy is justified. Otherwise, if we are not prepared to pay it and we wish to put gold in the same position as the commodities to which my hon. friends have referred, then let us remove the restrictions, let the gold miners dispose of their product as they will, and they will not seek the subsidy, because gold is in great demand today. It is one of the most durable metals in the world. We should give every incentive to those who are willing to take a chance to develop this rich natural resource, and we should either pay the subsidy straight across the board or forget all about it and let the gold miners market their product where they wish to.

Mr. E. G. HANSELL (Macleod): I feel, Mr. Speaker, that I must say something with respect to this Bill No. 7, which is virtually to subsidize the production of gold. As the leader of this party has already said, conditions are as they are; and we must deal with circumstances as they are, not with circumstances as we

should like them to be. The fact of the matter remains that, through government policy, we have been driven to a place where we are short of some other nation's dollars and that, in order to build up our United States credits, it is found necessary to endeavour to export gold to that country. It seems a little bit difficult to oppose a measure which would aid in exporting one ounce of gold in return for $35 or $37 worth of goods. But I am wondering if there is not a principle involved, namely, that if we resort to the export of gold in order that we may import real wealth, we may not find ourselves in a position at some future time where we shall be asked to accept imports of gold in payment for the export of our real wealth.

I cannot help feeling that there is a vital principle involved in this bill; that there is not merely the fact that the government desires to subsidize the production of gold in order to get a higher production, but that there is the principle whereby this country is forced to bow down and pay obeisance to the golden gods of mammon. That to my mind is a most important principle.

The leader of this group has protested the fact that, while it may appear to be necessary to subsidize the production of gold, evidently it has not appeared necessary for the government to subsidize the more important industries. During the Easter recess, on my visit to my constituency, many people, particularly farmers, came to me almost unanimously sounding one note, namely that through the present financial policy of the government their production, production from the land, was actually being sabotaged; that the farmers were being driven into a position where it would not pay them to produce the abundance of foodstuffs which this and other countries need. I believe the dangerous principle underlying this bill is that we are to subsidize the production of what I term a fictitious metal, while at the same time we sabotage the production of real wealth in this country. That, I say again, is an extremely important principle.

Let us remember that the land of a country is the life-blood of that nation. A nation cannot exist unless it eats, and the only place from which we get food is the land, through agriculture. A nation cannot live except it be clothed, and the only place from which we get our clothing is the land. The Minister of Finance (Mr. Abbott) may be wearing a suit that is all wool and a yard wide. If so, some poor sheep had to give its fleece before he could get that suit of clothes; and that sheep could not exist except it grazed on the land. Yet during the war we paid farmers to stop producing! Perhaps the Minister of Finance is wearing a nice pair of shoes.

Mr. ABBOTT: An old pair.

Mr. HANSELL: Let him remember that some poor cow had to die before he could get those shoes; and no cow ever lived without grazing on the green grass of the field. The Minister of Finance may be wearing a cotton shirt. Some cotton plant had to yield its bloom; and no cotton plant ever existed except it gained nutriment from the ground. I have mentioned food and clothing and I can also mention shelter. I do not know what kind of house the Minister of Finance lives in, but if it is a frame house the material had to come from the forest, and the trees were sustained by the ground. If the minister lives in a brick house it is just the same.

Mr. KNOWLES: He probably lives in a glass house.

Mr. HANSELL: Well, it would appear that he does.

An hon. MEMBER: Even the minerals for that come from the ground.

Mr. HANSELL: Yes; as my hon. friend says, even they come from the ground.

What I am trying to say, Mr. Speaker, is that the very lifeblood of the nation comes from the industry of agriculture; yet we can subsidize a fictitious metal that nobody eats, nobody wears and nobody builds houses with, while we permit the very lifeblood of the country to be sabotaged.

Mr. SMITH (Calgary West): It is used for paving in heaven, you know; that is what the song says.

Mr. HANSELL: Yes, but the fact of the matter is that we are not in heaven yet; we are still on the ground. Even though the Minister of Finance may have his head in the clouds, our feet are still on the ground. I claim that bowing down to a system which requires a fictitious metal to keep it going, while at the same time we penalize the production of real wealth, is a crime against civilization and a sin against the Creator who makes the earth green, who sends the rain and the sunshine in their season to produce for us that by which the people live. That is the principle; and there is no question but that today the farmer is being penalized for producing.

I do not want to get off on another subject, but I know that right now the farmers are making out their income tax forms. Our

present policy of taxation penalizes the production of real wealth. The more a man produces, the more he should be paid, but that is not the way it operates. Our present bungling financial policy means that the more a farmer produces, the more he has taken from him. It is the same with the coal miner. He works so many days producing the coal that keeps industry going and warms our homes; but he is penalized if he puts in overtime, so he does not work even full time. That system is wrong.

Let us put first things first. If I remember correctly—and I am trusting to my recollection of Napoleonic history—I believe it was Napoleon who once said the most important thing in civilization was agriculture, and it should be put first; the second most important thing was manufacturing, while the third and least important was financial policy. I believe Napoleon was right in that diagnosis, but somehow or another present governments have reversed that order.

The first thing, which is all important, is financial policy. Next are manufacturing and the secondary industries, while the third and last of the three in importance is agriculture. That is wrong, and the present policy in Canada is wrong. I say to you, Mr. Speaker, that if we subsidize the production of a fictitious metal and at the same time penalize the production of real wealth, that is a sin; and I say to the present Minister of Finance and his colleagues, be sure your sin will find you out. It is beginning to find us out now. A few years ago we had the Bretton Woods agreement up for consideration. We in this corner argued that this agreement virtually put us back upon the gold standard. Well, what has happened? That agreement is partly responsible for the present austerity program. Be sure your sins will find you out; and whatsoever a man soweth that shall he also reap. That is a divine law which no one can repudiate or get around. If we sow the seeds of idol worship of the golden gods of mammon, then in due season we shall reap that which we deserve.

Let us make sure we give our agricultural industry all possible encouragement to produce everything it can. The hon. member for Grey North (Mr. Case) spoke of the advisability of producing this gold and putting it in a storehouse. I am not going to argue particularly against that, but let me say this. A few years ago we spoke of the production of foodstuffs in this country, and we in this corner—I would refer especially to the hon. member for Lethbridge (Mr. Blackmore), who made a passionate plea—asked for the production and storage of vast quantities of foodstuffs against the coming of a possible evil day. Did we do that? We did not. We paid our farmers to stop producing. That principle is wrong.

So I say, Mr. Speaker, that we have to get right back to the real, fundamental principles. The greatest wealth of this country is in its actual production of the means of life. Instead of penalizing and discouraging that, we should encourage it all we can by the payment of subsidies, if possible, and by the removal of this terrible system of taxation. We should put first things first and see that things are kept in their proper place. That is my plea today. It may seem strange that, after a speech such as I have delivered, we should say we will support the bill. We are only doing that by reason of the fact that the government, through its bungling financial policy, has driven this country into such a position that, at least for the time being, we may be able to offset part of our foreign debts, shall I say, by this simple method. It will help for the time being. I say once again that if the government are absolutely bent on driving this country back to a fictitious monetary standard such as gold, some day we shall reap the reward of our evil ways.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I do not think it is possible for anyone who lives in the Thunder Bay district or in northern Ontario not to be interested in gold mining. I have the finest regard for the gold mining experts in our country. During the depression many of our young men could get only $5 a month in the relief camps, but a great number of young married men were employed by the gold mining industry in our district.

If this bill will do anything to steady that industry, it will be a good thing. It is not altogether true that you dig gold out of one hole and put it in another. That is a fine statement, but in order for a statement to carry weight it must be true. The other day I assisted a young man to place a ring upon the left finger of his intended when they cemented their friendship for life. I think that is a good use for gold. The jewelry business is the backbone of our gold industry. As I say, if this bill does nothing more than steady the industry that we know a little about I think we should support it absolutely.

I should like to offer a suggestion to the minister and I know he is big enough to take a suggestion from a small individual. The prospectors who do the hard work get very little for it as compared with the mining magnates. These prospectors should have some encouragement. I suggest that when they make a find and report it to the department of mines or to the Minister of Finance (Mr. Abbott) and

experts are sent in, if it is found to be all right after drilling, after the mine is opened up, then the mining industry or those interested should pay back to the government what it costs. That is not a subsidy, is it? I think this bill will do a little bit. As the Scotch say to us, many a mickle makes a muckle.

Mr. HARRY R. JACKMAN (Rosedale): Mr. Speaker, several hon. members have spoken on the possibility of improving the lot of the miner. That is a suggestion which I think will find ready acceptance in all parts of this house. As we know, the miner's lot is not an easy one, but on the other hand I know that in the gold mines which I have visited it seemed to be an interesting occupation and the miners underground seemed to take just as much interest in it as the geologists and engineers above ground. May I point out that in order to provide better conditions it is necessary to make the industry healthy and this bill will provide some little help to a large part of the mining industry.

We find the highest industrial standards in the United States and Canada because those countries are the most prosperous industrially and commercially. Where you have prosperity, in due course you have a higher standard of working conditions and living. I was glad to hear not long ago hon. members of the C.C.F. party say that they knew of no country in which they would rather live than in our own Canada.

While it is true that a good many of us in this house are against subsidies in principle, nevertheless there are times when in order to keep an industry alive a subsidy or some assistance such as is given under this bill is necessary. May I point out that the gold mining industry is somewhat different from any other industry in this country in that it is to a large extent, if not 100 per cent, an export industry. For reasons which I shall give later, that is a matter of some importance.

I should like to know from the minister in charge of this bill the government's long-term policy with regard to gold mining in this country. To use the vernacular, the measure before the house is nothing more than a shot in the arm. It will perhaps keep the industry going for a while; but with rising costs occurring almost daily, whether it be in the field of materials or in the field of labour, this small measure of assistance may be quickly lost to the mines and they will be in the same position and in the same plight as they were before the government gave consideration to providing some aid. It would be interesting to know just why the government is giving this aid of which we are all so much in favour. Does the government intend to adopt a further policy if necessary, or what is the real policy of the government in regard to the gold mining industry?

Gold production in Canada in 1939 amounted to $184,000,000, and in 1941 it had increased to $205,000,000. This was quite a substantial boost, and it was at a time when those in charge of the gold mining industry were doing everything they could to carry out the government's request and make as great a contribution as possible to the war effort by producing as much gold or as much foreign exchange as possible. They produced gold even to the extent of taking high-grade ore which would ordinarily have been used over a period of years and forgoing certain development work which they would ordinarily have undertaken and which would have used manpower which was otherwise used in direct production.

By 1946 we find that gold production had fallen from the $205,000,000 peak during the war to $104,000,000. Production was just about cut in half. When the final figures are available for 1947 I think it will be found that production has been cut in two, to say the least. This may be partly due to government action.

For the benefit of those who may be interested, may I say that during the war I was not a strenuous advocate of increased production of gold because we needed manpower in other fields so urgently. Yet our gold did provide a means of purchasing war materials, in particular from the United States. After the United States joined us, I was not one of those who encouraged production. I merely want to belie any feeling anyone might conceivably have that I am primarily interested in gold stocks per se; I am interested in the welfare of Canada as a whole.

I should like to draw the attention of the house to the statement made by the Minister of Finance (Mr. Abbott) during the debate on the excise tax bill when he was refuting any suggestion from this side of the house that we might have been better off had the government not followed its policy of July 5, 1946, of upvaluating our dollar to a parity with that of the United States dollar. Referring to that time, I find that the minister said on January 30 of this year, as reported at page 735 of *Hansard:*

> In my judgment, inability to export is the only real justification for currency depreciation on the part of any country.

We have in the gold mining industry one of our basic industries; or rather I should like to know whether the government considers it a basic industry or even an important industry.

We have a product there, namely gold, which we cannot sell abroad because our internal costs in the industry are too high. This obviously is an example which refutes the minister's suggestion that Canada is in a position to sell abroad so far as costs are concerned, for our internal costs in the gold mining industry in this country are so high that we cannot sell gold at the world price, which is apparently the only price that is available.

One of the difficulties in having a reasonable price for gold at the present time or of having a price which gives us a fair return on this precious metal is that rock which would normally be commercial is passed over because the price is too low to make its extraction commercially justifiable.

It is perhaps also worth mentioning that there are many people, if not the great majority, in Canada who would rather see a certain amount of premium, let us say ten per cent, paid for gold under certain circumstances. They would be quite willing to pay that premium, apart altogether from any action which the government might take, and thus save themselves from the extraordinary penalty which the Minister of Finance has imposed on the people by putting into force these very unpopular excise taxes of 25 per cent and more. If gold were produced we would have more exchange and we would not have to suffer the heavy and extraordinarily inconvenient burden and the inequities which the new excise taxes impose upon us at the present time.

One sometimes wonders, Mr. Speaker, when one realizes that Bretton Woods or the international monetary fund has to be consulted at every turn we take, even to help a domestic industry, whether we listened as carefully as we might have done to some of our Social Credit friends who pointed out that we were giving up a substantial part of our sovereignty when we became a member of the international monetary fund. The government's first proposal to give some assistance to the gold mining industry had to be withdrawn, apparently because it could not pass muster with the governors of the international monetary fund, and the present proposal might have been quite otherwise than it is, for all the house knows, and the government might have been willing to go farther, had not its proposal eventually to go again before the international monetary fund to see whether it was satisfactory to its governors.

In this connection I should like to say a word in favour of the free coinage of gold. I do not know what the opinion of the international monetary fund is in regard to that, although I suspect it is opposed, but there are many people in this country who would like to be able to purchase gold even at a premium if necessary. This leads me to say a word or two to belie the suggestion that gold is purely a fictitious commodity with no real value. As long as people are willing to pay for gold and to give for it other goods in exchange, as are the United States and every other country in the world, gold has a very real value. There is no use in considering moral values in this particular case any more than there is in any other case. One might just as well point to articles of clothing and food and drink as having no particular value; in fact some might claim that some of these commodities were injurious. Yet we go on producing them. Gold will always have great value as long as people in the world are willing to exchange other things for it. It will have great value I think long after many of the currencies which today are considered of value have passed into the limbo of forgotten things. So I suggest to the government that if they want to do more for the gold mining industry it would be quite possible to allow the free coinage of gold and let people who wish to have it store up gold for a day which they cannot foresee but which perhaps they can envisage when they believe that gold will afford them a protection which perhaps no other commodity or form of security can give. It would also be anti-inflationary if we allowed the free coinage of gold, because gold need not then come into the monetary system as a basis for credit extension.

I do want to emphasize before this bill passes, and on this side I think we shall give support to it, that the government should tell the house exactly what its policy is in regard to the important industry of gold mining in Canada. I do not wish the Minister of Finance to quibble with me and say that the policy of the government is embodied in this little bill before us, because it is a very small measure as he well knows. It is, as I said before, a shot in the arm which perhaps will enable the industry to carry on for a little while, but as he knows there are many indications on the horizon of squalls and tempests in the way of rising costs which might easily upset the industry and set it back further than it was at the time when he first gave consideration to this bill.

My hon. friend the member for York South (Mr. Cockeram) has already pointed out the great value to Canada of the gold mining industry and its affiliated and dependent industries. It is a crucial industry in Canada and it is in a critical position at the present time. Therefore I ask the government to state what its long-term policy is with regard to this vital industry.

(*Translation*):

Mr. DAVID GOURD (Chapleau): Mr. Speaker, having listened to some of the opposition speeches, particularly those from C.C.F. and Social Credit ranks, I note that, according to certain members from the latter group, we have no real need for gold mining companies since there is no need for that metal. These people seem to think that all you have to do to make money is to print bank notes. On the other hand, true to the tenets of socialism, the C.C.F. seem to favour nationalization.

Mr. Speaker, I have never been in favour of subsidies but helping the gold mines is another matter. It must not be forgotten that, while everything has gone up in the last few years, the price of gold and the revenue from gold have come down, due to the rate of American exchange. Gold is now selling for only $35 an ounce, or $38.50 with the exchange. While the price of all other commodities was going up, that of gold has fallen. It only goes to prove how absolutely necessary and urgent it is for the government to help out the mining companies now.

From what experience I have been able to acquire in the constituency of Chapleau, which I have the honour of representing here, as well as in the neighbouring constituency of Pontiac, I feel that the present price of gold, $35, is certainly insufficient. It certainly does not cover more than two-thirds of the operating and administrative expenses. Were it possible to have an international market where we could sell our gold at a higher price, it would be worth while entering it; but since gold is our monetary standard and since we cannot get more than $35 an ounce, I repeat that it is absolutely indispensable that the government help out the gold mining companies, along the lines indicated in Bill 7.

With your permission, Mr. Speaker, I will even suggest to the Minister of Finance (Mr. Abbott) to raise the grant to 50 per cent instead of 33⅓ per cent of the basic production already mentioned in the bill. In other words, the suggested grant on the two thirds surplus should be granted on the increase of half the base year.

Moreover, these companies maintain whole towns with not inconsiderable populations, such as Val d'Or, Malartic, Cadillac, Rouyn and Noranda. Needless to say that such a measure would be most helpful to my constituents, in spite of the fact that most of them are farmers. It must not be forgotten that these companies ensure the livelihood not only of those who work there, but also of all the people in the surrounding districts, where they buy the produce of the colonists and farmers.

For the foregoing reasons, Mr. Speaker, I strongly favour this bill and I hope that the Minister of Finance will succeed, without too much trouble, in having it adopted with this increase.

(*Text*):

Mr. ROLAND BEAUDRY (St. James): I should like to congratulate the Minister of Finance (Mr. Abbott) on the bill we are now discussing, even though I do it a bit half-heartedly, because I would have expected, and I think the mining population or the people living in what are known as the mining sections of this country had a right to expect perhaps a little more generosity from this government than is being evidenced by the principle contained in this bill that 33⅓ per cent of the basic year production shall become bonusable on the scale outlined. I hold this view for three major considerations. The first is the number of people who are directly concerned in this country by the implementation of this bill and by its reaction on their daily existence. The number of people who are directly concerned in the regions affected by this bill is as considerable as the number of people in this country who are interested in the automotive industry, and the number of people who are indirectly concerned can be estimated as an aggregate of anywhere between 200,000 and 300,000. A further consideration of the number of people who are vitally concerned in this bill would show that half a million and perhaps 700,000 Canadians have shown their faith in their country and in the mining resources of their country by investing in the various mines which are affected by this bill.

The second reason which would lead me to think the Minister of Finance could have been slightly more generous and could, for instance, have bonused 50 per cent of the basic year production instead of 33⅓ per cent is the fact that the amount involved in either case in proportion to the number of people concerned and in proportion to the purpose of the bill, while not negligible, cannot be looked at as vast under any circumstances. I have already mentioned that perhaps 300,000 people in this country are vitally affected. A great many of them are the more affected because the localities of the regions in which they live exist almost exclusively because of mining operations. It is a fact that of the various regions in this country where mining is conducted, most of them exist also solely because of mining and have become communities, in some

cases, of considerable size strictly because mining operations have been continued there for a period of time which varies from fifteen to forty or fifty years.

According to the production figures of gold for all thirty-eight mines concerned in this particular bill during the year 1946, a fairly accurate computation of the amount of bonus which this country should pay toward the upkeep of these mines during the next three years on the basis of bonusing 33⅓ per cent of the basic year production would approximate $2,800,000 a year. If 50 per cent of the production of gold had been bonusable the amount of bonus which these thirty-eight mines scattered across the country would have received would have approximated somewhere around $4,000,000 a year. I trust my figures are nearly accurate. I repeat and insist that the Minister of Finance should have been more generous in his attitude toward the mines of this country. However, I do feel that he has taken a step to help and I hope that future legislation will help the mines of this country to survive and attain that prosperity which a great many of them have not known in recent years.

Mr. L. W. SKEY (Trinity): I support the sentiment which the previous speaker has just expressed when he said that the mines might have expected better treatment from the Minister of Finance (Mr. Abbott). I would advance as my reason for that the great war effort which our mines in this country made at a time when our government, in fact this government, needed foreign exchange in the worst way. It is well known that in many cases the mines carried out stripping operations for which they are paying a heavy penalty at the present time.

I should like to deal with three aspects of the bill. First is the profits mentioned by the C.C.F. party—the profits from this possible bonus. They have said that the whole of the profits should go to the men underground.

Mr. PROBE: That was not said this afternoon.

Mr. McKAY: Not the whole of the profits.

Mr. SKEY: I believe it was said that the underground miners should get the whole of the bonus. I would remind my hon. friends that there are a great many people concerned with mining operations. There are prospectors, producers, assayers, geologists. diamond drill crews, geophysicists, engineers, exploration parties, aircraft pilots and the investors themselves. Many mining men, many miners included, are investors in the gold mines, and the producer companies are in many cases the ones who invest the most heavily by plowing back their own profits into subsidiary operations.

When the house realizes that all these mining companies carry out vast operations in the prospecting fields, and that it is only about once in ten years on the average that they find another mine, the house will realize how difficult it is to discover new mines in Canada at the present time. What money these companies spend over these ten-year periods is lost to them unless it can be made up from the production of any new mine which they may discover.

Secondly, the truth with regard to the wages paid in the mining industry is contrary to the impression given this afternoon. The wages are above the average paid by other industries in Canada. I have here an average wage chart prepared by the Canadian metal mining association, and it shows that at the end of 1946, before there were some substantial rises in wages, the average wage earned by miners was over $2,100 a year, while the average for all industries in Canada was just at the $1,700 level.

Mr. MITCHELL: Have you it on an hourly basis?

Mr. SKEY: No, I have not, I am sorry to say. It is not in this chart, but I believe they work an ordinary eight-hour day.

Mr. MITCHELL: That is right.

Mr. SKEY: And no extra time. At the same time, as the Minister of Labour who has just interrupted me knows, there are many gold mines in this country that have group accident insurance plans apart from the workmen's compensation of the various provinces, and in addition to that many of them have also sickness plans.

Mr. MITCHELL: They are good employers.

Mr. SKEY: They are very good employers, and the miners, for whom I personally have the greatest respect, are some of the finest pioneers in Canada. For the most part they like their work or they would not stick to it. They like the high wages and the opportunities their job offers.

The cost of wages in gold mining has also been furnished by the Canadian metal mining association, and it shows that the cost of wages per ounce of gold produced has risen from $11.50 in 1943 to over $16.50 at the end of 1946. That is just the cost of wages in producing an ounce of gold, so that the minister and the house will realize, when other costs are added, how difficult it is for the mines to produce at a profit at the present time.

It is clearly shown by a third chart of the Canadian metal mining association that the total dividends paid by Canadian gold mines in 1941 was close to $48,000,000 and in 1947 had sunk to $16,000,000. That should be interesting information for the C.C.F., who seem to think the mines are rolling in wealth. When you realize that their returns have been cut by 300 per cent since 1941 you will appreciate the difficulties they are encountering today.

At the same time I should point out again that nearly all the mining companies have policies whereby they plow back into the mining field a great deal of the revenue they obtain from producing properties.

It struck me that the arguments advanced by the C.C.F. this afternoon were perhaps just as fallacious as they nearly always are in this house. If I might draw a parallel it would be this. They seem to think a man who invents, let us say, a carburetor for your car is entitled to no profit from that invention, but the man who takes the product of his genius and manufactures it into a working model is the one who should get everything. That is the same argument they advance with regard to every other question and it seems to me to be so fallacious that it is about time they gave it up.

I am not going to detain the house much longer, but I wish to say one or two things further about the bill. First, to get back to costs, the cause of the decay in the gold mining industry is the artificial price at which gold is now kept. Until and unless this economically unsound price policy is altered, the gold mining industry will not prosper, and there is no other solution than to permit the industry to find a proper market for its product where the price is not fixed by some other government, or for our own government to sell the product of our mines where it can obtain more revenue in United States dollars, or whatever currency it requires, than it obtains at the present time.

The value of gold to the Canadian economy cannot be over-emphasized. It is to the mining industry and to the north that we must look for substantial increases in population. Gold has been the incentive for our development as most base metals finds are associated with prospecting for precious metals, particularly gold. It has added tremendously to the stability of our mining operations and it gives flexibility to our operations, which are unique.

Gold is the magnet which draws development. I merely point out as an example of this that Gilbert LaBine was searching for gold when he found pitchblende and uranium at Great Bear lake. Our agricultural population is showing the tendency of being static, or, in fact, actually declining. If we are to develop, it is to the mines and the Pre-Cambrian shield to which we must look. To suppress artificially the value of the principal product of this rich belt is to strangle the growth of Canada.

Mr. A. L. SMITH (Calgary West): At the moment, Mr. Speaker, I am disposed to vote for the bill and I do so on two definite assumptions. If they are wrong I hope the Minister of Finance (Mr. Abbott), when his turn comes, or when he chooses, will set me right. In the first place I learned that our production of gold has been more than halved in the last few years. I think the present figure is around $87,000,000.

Mr. ABBOTT: $106,000,000.

Mr. SMITH (Calgary West): Yes, $106,000,000, or practically half. Gold is, of course, of value in conneetion with our exchange position with the United States. Many of these mines cannot continue with costs as they are at the present time and the sale price fixed as it is at $35. That is the third thing I learned. I assume those three things to be correct and to be reason for the advancement of this legislation which is clearly bonusing legislation. While we talk about subsidies, bonuses or whatever you care to call them, from listening here as I have been doing now for several years, it seems to me that is a condition which almost inevitably arises when we go into price fixing. That is true of food products referred to by the hon. member for Macleod (Mr. Hansell). It seems to me that it is equally true with regard to this commodity called gold. While I enjoy speaking of a fictitious metal, of pulling it out of a hole in the ground in one place and putting it in a hole in the ground in another place, yet as long as there is a market for gold we can get the things we need in exchange for it, for anyone to argue that we should not continue the industry because within itself you cannot eat gold and cannot wear it, I think is begging the question; it is an argument which is of no value whatever.

I want to go back to the suggestion made by the leader of the C.C.F. (Mr. Coldwell) and supported by the hon. member for Cape Breton South (Mr. Gillis), which was that we should write into this bill a provision—I am sorry to disagree with the hon. gentleman who has just spoken; I do not think the C.C.F. said that they wanted all of it to go in that direction—that a portion of this should go for the alleviation of conditions of those people who went underground.

Mr. COLDWELL: That is right.

Mr. SMITH (Calgary West): That is the way I heard it, in any event.

Mr. COLDWELL: That is right.

Mr. SMITH (Calgary West): I have listened here in this House of Commons to a tremendous amount of crying for those people who go underground. A great part of that is not justified at all. Nobody has forced them to go there. It is as the hon. member for Trinity (Mr. Skey) has just said. You have heard the expression, once a miner always a miner. That is largely true. In the coal mining business I know it is true that the family gets into mining and stays there. It is certainly true in England.

Then I interrupted and started something I had not intended to start when I asked the leader of the C.C.F. how he would work out this thing, and how it could be done. I asked that question in all seriousness and as yet I have had no answer. I do not think there can be one, for this solid and basic reason. If you take a certain mine which is getting the benefit of this subsidy and its costs are, of course, different from those of other mines in that neighbourhood or in other neighbourhoods, I can see no equitable method whereby you can apply a percentage to go for wages and other benefits, perhaps, without upsetting your whole wage structure and wage scale throughout that industry. That may be possible. The leader of the C.C.F. said that certainly smart people could work it out. May I simply confess that I am not one of those smart people, because I am utterly unable to see how that could be done.

Then we heard something about these wealthy owners. I hope they are wealthy. I am one of those people who are happy when other people make money, even though I cannot do so myself. I could paper the walls of a good big play-room I have in my house with mining shares which I bought and paid for; and they would not even make good wallpaper. That has been my experience in dealing in this business. The answer is, of course, that I have always been a piker; I never had enough money to be anything else. I bought nickel shares, and now they are not worth even that; they are absolutely worthless.

I wish to refer to one matter mentioned by the hon. member for Cape Breton South, namely, this business of workmen's compensation. Like all other developments in labour relations, it has come to what it is now by a process of evolution. In the coal mining business, I remember that many years ago when I was acting for some coal companies I had a fine practice in fighting what we called workmen's compensation suits. In those days the matter came to what we called the district courts or what you in Ontario would call your county courts. We had lawsuits as to whether or not the person was entitled to compensation. Following that—and I think it is the case in all provinces—boards were set up and the matter was taken from the courts; even the matter of appeal, which I think the mining fraternity now wants returned to them so that they may appeal, was taken over by boards. Those boards then fixed the compensation. I want to disabuse your mind, Mr. Speaker, and the minds of the members of this house of this idea that the companies themselves or the operators themselves have been in any way the enemies of compensation. They simply pay an assessment into a fund, and from that fund come all sums of money—be they lump, be they weekly or be they monthly—which are paid by way of compensation. We will all agree and admit that compensation has been growing from year to year as a part of the evolution and growth of a new idea in these relationships.

I remember this silicosis business; I remember the men fighting hard to get silicosis in as a compensable disability. I remember at that time seeing figures brought from the coal mines in England. I learned then that the lungs of a coal miner are clear black and stay that way. The medical people, however, do not seem to think that has done him much harm, and they produced figures to show that, in so far as the incidence of tuberculosis was concerned, a coal miner was less affected than a person engaged in, we will say, another occupation, probably a more sedentary one. But that fight was won. Now I believe silicosis is among the compensable disabilities in all provinces of Canada. That battle has been won. I agree with the hon. member for Cape Breton South that there are sad cases such as the one he mentioned of the man who in his will gave his body to someone so that his lungs might be examined to prove the existence of the disease, in order that his family might obtain compensation. But we find that in every walk of life; you find it in the Department of Veterans Affairs. You will always find that as long as the minds of men are finite or until medicine and medical men become perfectionists, which of course they never will since they are human beings.

The point I am making is that while there are those odd cases, certainly in the province from which I come, and I have no doubt in Nova Scotia as well, that is not the fault of the employer. He has nothing to do with it; he is completely removed from it. It is a result of the advice given to compensation

boards by specialists. I think, too, that if the hon. member were in his place at this moment he would agree that the experience of workmen who are under compensation is that almost invariably the doubt is resolved in favour of the individual; that is, the employee. I am proud to say that I know this to be true in the province from which I come, and I think it is true in the other provinces as well.

So if when the minister speaks he will give me the assurances for which I asked in the beginning, I will support this bill. But much as I may like subsidies I make this broad statement. In a country of opportunity, equal opportunity—and I think we have approached very close to that position in Canada—subsidies take money earned by one man away from that man and give it to another. That is what they do, in the broad economic picture. Someone may say I am opposed to all subsidies. I am not. Conditions arise, as in this particular case, because of perhaps unusual and extraordinary circumstances, and in such instances I am in favour of subsidies, as I am in favour of this subsidy. Then in so many cases it is found, as I am sure it will be found in this case—and in this I agree with the hon. member for St. James (Mr. Beaudry)—that a subsidy can be regarded as something in the nature of an investment. But I want to take this position, and state it clearly. I do not think there is anything in the argument which has been used here today that because this house is asked to vote a small subsidy for the general good of Canada—because our exchange situation certainly may be to the great detriment of Canada unless we can correct it—we are in any sense taking away milk from babies or bread from poor people. To my mind that sort of argument is complete and utter nonsense. I know what I have just said will not be popular in many places, but I believe it so thoroughly I had to say it here.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I wish to take only a few minutes, but first I should like to correct one statement made this afternoon by the hon. member for Cape Breton South (Mr. Gillis). He said that gold was an essential part of private enterprise. That is not so. Private enterprise is as old as civilization, as old as history itself; the gold standard is quite a modern institution.

I do not want to discuss this bill on technical grounds, but I do want to say that on the most

[Mr. Smith (Calgary West).]

fundamental grounds I am opposed to the whole idea of gold and the gold standard. If you like, I will put it on religious grounds, I mean *religio,* to rebind or bind back to reality, truth. Surely it cannot be denied today that millions of people in the world are literally starving to death or in danger of starving to death. Neither can it be denied that the mining of gold is a waste of time, effort and materials at a time when millions are suffering for want of the bare necessities of life.

If we take the narrow view it may be argued that gold mining is a profitable thing for those engaged in it. If we take the short view it may be admitted that it is profitable for Canada itself. But if we take the long or wide view I think in the end it will be proved that it is not profitable either for those engaged in it or for anybody else.

To say that socialists are opposed to gold and orthodox finance is not borne out by the facts. The London school of economics which certainly would support the gold standard was founded by socialists for the purpose of spreading socialism. I saw just recently that Lord Passfield, one of the founders of the socialist movement in England, was able to accumulate a considerable fortune under the capitalist system and he left that fortune to the London school of economics. Certainly the London school of economics would support gold and the gold standard.

I should like to know how much more gold the world needs. Surely there is enough for the purposes to which it is put today. It is not being coined or used as it used to be used. I can well remember when gold was in circulation, but that is not true today. It is a criminal offence at the present time to have a gold coin in your pocket. Still we are told that we must go on everlastingly mining this stuff which nobody uses and which when it is mined simply disappears into a hole in the ground. Even if we are supporting a gold standard, is it necessary to keep on mining the gold which disappears as soon as it comes out of the ground? Surely the labour, science and materials used in producing gold could be put to better use.

To go on expending this vast effort to produce gold which nobody can use, simply to produce something which it is assumed people must have before they can exchange their wealth, reminds me of what Charles Lamb said about burning the pigsty in order to roast the pig. Surely there is a more economic and convenient way of maintaining a monetary system than continuing this waste of men and materials.

It can be argued that the future of the men engaged in mining and of the districts in which mining is carried on is bound up in the production of gold, but surely these men could be put to a much more useful task. There are other metals and minerals to be mined, not to mention, as I said before, the production of food of which the greater part of the people of this world are in such need.

Much has been said about inflation, and perhaps when the Minister of Finance (Mr. Abbott) speaks he will be good enough to explain why gold mining is not inflationary. It seems to me that it is pure inflation.

The main objection which I have and which I think Social Crediters generally have to a gold standard is that it means the centralization of control. We are opposed to that. We know what happened in 1925 when the gold standard was reimposed. We know the dreadful conditions that were brought about. If a restoration of the gold standard is not intended, then I cannot see the purpose of continuing the mining of gold. It is not used in the arts to any extent and it is not used in our coinage. It seems to me that in the end the real purpose is a return to the old gold standard which I believe was responsible for more misery than any other single institution.

I am not criticizing the policy of bonusing this or that commodity, but if it is a good thing to bonus the production of gold I cannot see why the same principle cannot be applied to any other industry which is in need of support.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, I should like to preface my remarks by felicitating the Minister of Finance (Mr. Abbott) on bringing in Bill No. 7, although the credit should not go entirely to the Minister of Finance and to his department or to the government, because this measure is largely due to the concentrated efforts of every section of the House of Commons and the receptive mind that the minister shows on all occasions.

Mr. GIBSON (Comox-Alberni): Except the C.C.F.

Mr. BRADETTE: No, I would not say that. The leader of the C.C.F. party (Mr. Coldwell) was in my section of the country last fall and spoke on several occasions in the Porcupine district, more particularly in Timmins, and he made it quite clear that he was in favour of a prosperous gold mining industry in Canada. I was pleased to hear him make that statement because on previous occasions—it was before his leadership, I think—the members of his party were not very much in favour of the gold mining industry, and in fact some of them were absolutely against it.

I was not present this afternoon, but I was told that the discussion was a fairly constructive one. I hope it will also be an open-minded one, because the more that the leaders of parties and members of parliament find it possible to go into the gold mining sections of Canada, whether in northern Saskatchewan, British Columbia, northern Ontario or northern Quebec, the better they will realize the great benefit that the gold mining industry is bringing and has brought to the national economy of this country. I can speak open-mindedly on this subject because I do not own a single share in a gold mine in my constituency. I have always been in the happy position, therefore, to be a go-between between management and labour in the gold mining industry. I must state that the management of our gold mining industry in northern Ontario and northern Quebec is a credit to the country's economic activities, and I must state further that labour employed in gold mining has always been very fair, and has constructively co-operated. They have realized the exact situation in most instances and have played fair not only with unionism but with the whole of Canada.

To come to the statement made last fall by the leader of the C.C.F. party, he went so far as to say that if necessary he would give $15 an ounce as a subsidy or bonus on gold production. I do not like those words, "subsidy or bonus"—

Mr. MacINNIS: Call it a hand-out.

Mr. BRADETTE: No, I will not call it a hand-out, and I will come back to that in a moment. The gold mining industry was really the only industry in this country which suffered grievously when parliament on the initiative, in July, 1946, of the Minister of Finance brought the Canadian dollar to a parity with the United States dollar.

I have stated before in this forum that we in northern Ontario and northern Quebec really belong to central Canada. Geographically we are a part of central Canada, and that applies as far south as Sudbury. Our viewpoint is a national one, embracing the whole of the country. Every member from northern Ontario sympathizes with the members from the west when they speak of the problems of their part of the country, and similarly we sympathize with the members from the maritime provinces when we hear them speak of their problems. It may surprise some of the members here to know that in our part of the country we know the names of the mayors in

the three western provinces and British Columbia and also those in eastern Canada as far as Halifax; that we are not either easterners or westerners in our attitude and viewpoint, but we take a broad and national outlook.

I repeat that I was glad that the leader of the C.C.F. party committed himself, and I hope his party, to a gold policy that would be beneficial, not simply to our own section of the country nor to the gold mining industry alone, but to the whole of Canada. If you took away the gold mining industry from our national economy there would be an enormous vacuum which would result in great distress and dislocation, not only in our own section of the country, but throughout the length and breadth of Canada.

I listened attentively to the previous speaker (Mr. Jaques). He knows how highly I respect him, but I did not hear him make statements such as were made by his leader, the hon. member for Peace River (Mr. Low), a year ago last fall in the Pontiac by-election. I know the hon. member for Pontiac (Mr. Caouette) will support me on this. The leader of the Social Credit party was in that by-election. It is true that it was not the Social Credit party that was running in Pontiac; at least it was so stated by their candidate; it was the Union des Electeurs, but the leader of the Social Credit party took an active part in it, and the language he used was not the language of the previous speaker. Rather he spoke as a man who recognized the necessity of gold mining in this country, and the great beneficial role that it plays in our national economy. He stated that gold was absolutely necessary as a standard in the monetary systems of the world. I was very glad to hear that statement, which was used in that constituency. I said: We have had two parties in the House of Commons who are anti-gold, the C.C.F. and the Social Credit party. I am glad indeed today to see that the leaders of these two parties have realized the necessity and urgency of a prosperous gold mining industry in Canada and have come into the fold.

But there is no necessity for taking my word on that score. I have here an article from the *Christian Science Monitor* of Boston, in its issue of September 6, 1947, headed, "Demand for Gold Universal," which states it is necessary, not only for the purposes of art or dentistry but because gold is absolutely necessary to the monetary system of the whole world, and that if it was otherwise it would bring chaos to the whole world. I quote:

Before evaluating the foregoing suggestion it might be well to look at the position of gold today. To fully as great a degree as ever before,

[Mr. Bradette.]

gold is valued by the people of practically every country as a repository of stable value. Myth, folklore, tradition, as well as intrinsic qualities, have combined to imbed the desirability of gold in the consciousness of the human race. The Greeks, 500 B.C. or earlier, had learned the use of gold from the Asiatics. Julius Caesar found various gold coins circulating in Britain. Laws and regulations affecting the price of gold or making it criminal to possess gold as money, as in the United States, have not extinguished the universal demand for this precious metal. And the return to a gold standard is still being advocated by well-known economists and experts.

Today the United States has $21,700,000,000 worth of gold, or about three-fifths of the world's monetary gold supply. Back in 1934, when the administration devalued the dollar internationally by raising the price of gold to $35 an ounce, there was $3,227,000,000 in the United States treasury. This became $5,464,000,000, producing a $2,200,000,000 profit. The Exchange Stabilization Fund received $2 billion of this profit. Some $687,000,000 of gold has gone into the International Monetary Fund.

Who will declare that this organization has not even so far accomplished some good? It is true that some of the nations which signed the contract with the monetary fund are not fully carrying out what was implied in the contract, but it is certainly a stabilizing factor, during these present serious times. However, I know they will be looking forward to something more and to greater accomplishments. I listened attentively to statements made in the banking and commerce committee by the hon. member for Acadia (Mr. Quelch) on the exchange stabilization fund and he certainly showed some knowledge of the urgency and the necessity of establishing such a fund, backed by gold supplied by this country as a guarantee.

The hon. member said that gold is useless. It is extracted from the entrails of the earth with great labour and sweat and then buried again. That is only a nominal truth. A few years ago a member of the original party—it was not then the C.C.F. party—came to our section of the country to address the opening exercises of the vocational school. She said something like this: "You are funny people in this section of the country. You work hard in order to extract your gold from the entrails of the earth, and then in the south we bury it in the ground." On that occasion the mayor of the town of Timmins thanked her for being present and made this statement. He said, "I believe you come from the tobacco growing section of the province of Ontario. To us you should look very odd people because, if we follow the same line of thought that you have used yourself, you go to a lot of labour and a lot of expense to grow that tobacco, and we pay quite a fair price for it in the north, and then we turn it into smoke and ashes." Everything

has a value. Who will say that because tobacco is not a food or an absolute commodity we should not grow it in Canada?

I have just come back from Kingsville and the Kent, Essex, Windsor district, where Jack Miner week was celebrated. In that section of the country I saw thousands and thousands of fertile acres of land on which tobacco is grown. No one can tell me that I could not live without smoking. I could certainly live my normal life without smoking but who would dare say that we should not produce tobacco in Canada, and more particularly in Ontario? The same thing applies and perhaps more forcibly to gold. Let me quote again from the article:

U.S. gold not an idle hoard.

The bulk of the nation's gold at present, $17,765,363,574, on September 3, 1947, is not, as has so often been suggested in impassioned attacks on the money system, "idle," but stands as the legal reserve against federal reserve notes in actual circulation and deposits of member banks.

Will hon. members say that we should withdraw all the Canadian gold in the monetary system, whether Canadian or American or any other system in the world? Let us be logical with ourselves. We happen to have a market for gold, a good steady market, a cash market for every ounce we can produce. Are we going to destroy voluntarily that market, and destroy our industry ourselves? Will that be Canadianism? Will that be logical? Will it be doing credit not only to our section of the country which produces gold but to other sections of Canada? Does the hon. member realize the disaster which would take place in the Porcupine district alone, which I use as an example, if that should happen? Last year some hon. members visited the Pontiac section of northern Quebec. Hon. members know of the production in northern Manitoba at the present time and also in British Columbia. We should be very glad indeed of these developments here in the House of Commons. A member of the Social Credit party mentioned the growing of beets. I am in sympathy with that. We shall probably never grow beets in northern Ontario because of climatic conditions, but I would be very proud indeed if Alberta could produce large quantities of beets sufficient to give us the major part or all the sugar that we need in this country.

Mr. BLACKMORE: Sugar is not gold.

Mr. BRADETTE: Who said that it was? Again I hear "not gold."

Mr. FAIR: He is not married yet; he ought to have a little gold.

Mr. BRADETTE: I should like every member of parliament to visit our gold mining centres. I am giving this invitation very sincerely. I want you to come to my section of the country. You will be my guest, and I shall take you to visit sections like Timmins, Schumacher, South Porcupine, Kirkland Lake, or Rouyn-Noranda, represented by the hon. member for Pontiac. There you will see these new centres of population which are helping our farmers and the men employed in the various industries. Would anyone say that we should deliberately destroy, with our own hands commit hara-kiri and destroy the gold mining industry of this country? It is pure nonsense to make such statements; it shows a pure lack of elementary realism and it is not Canadianism. If we had to create a false market; if we had no taker; if gold was not required by the rest of the world I would say fine; we do not need the industry. But practically every nation in the world is asking for gold. They want gold for their own economic and monetary system, and we deliberately are going to destroy that industry ourselves. Even such a thought is absolutely incomprehensible to me. I continue with the quotation.

It is really the metal backing held in trust as the nation's banking reserve. It cannot be sent abroad—

I want members of the Social Credit party to listen to this:

It cannot be sent abroad or allocated here and there in the belief that it is free gold which the government can release where "it will do the most good."

There is only about $1 billion of free gold in the treasury general fund, and there are about $5 billion in the category of excess reserves. These congress could release for expenses or debt reduction. But that the gold hoard at Fort Knox and in the New York federal reserve bank vaults is merely so much useless metal performing no service is an utterly erroneous notion. These reserves are part of our complicated money system, and stand as a barrier to printing press money and the excesses of managed currency advocates.

Mr. QUELCH: Will the hon. member permit a question? Can he tell us if we have gold reserves in Canada against our currency?

Mr. BRADETTE: Surely the hon. member does not expect me to go into these details; they have been told *ad nauseam*, time and time again in the House of Commons. If we repeated them a thousand times some hon. members of that party would not want to understand them the thousandth time any more than they did the first time.

Mr. QUELCH: Have we gold reserves in Canada at all at the present time?

Mr. BRADETTE: Definitely there is gold behind the Canadian dollar in the international monetary fund. The hon. member knows very well that our paper money is backed with Canadian gold. He knows that.

I continue with the quotation:

These reserves are part of our complicated money system, and stand as a barrier to printing press money.

I heard a minister of the crown in private conversation at one time speaking of printed money issued in an unlimited way so as to solve our economic problems. I want to repeat the statement. It was a private conversation; therefore I will not give his name. He said, "The printing press is in first-class condition. We have the best ink we desire to print all the money without limit. We have the paper to do it; we have the experts and the engravers to do it, and if I wanted to tomorrow I could order the issue of a million dollars of good Canadian money to every man, woman and child in this country. Tomorrow morning every one of us would be millionaires." What would have that meant? It would have meant that the million dollars would have been absolutely worthless, and not worth even the cost of the printing and the paper.

Mr. KUHL: Whose proposal was that?

Mr. BRADETTE: It was not a proposal. We were speaking of funny money as your party often propounds. I said we were discussing the subject of unlimited printing of money, because if it was so easy as all that to use the printing press or apply the Social Credit system to Canada, everybody would need to worry no more. They would get all they want; they would get all the orchestras and all the operas and so on, all the commodities and luxuries to their hearts' desires. There is nothing free in this world. I believe in Santa Claus at Christmas time, but I know after Christmas we poor uncles or relatives have to pay all of his bills.

Mr. KNOWLES: You would make a better husband.

Mr. BRADETTE: I may have to learn yet, and I still hope to make a good husband. I continue with the quotation:

They support our credit structure, our currency, and indirectly our debt. Tampering with the collateral behind the gold certificates is a dangerous expedient.

Not a dangerous action, but a dangerous expedient. I never worshipped the golden calf or the silver calf.

Mr. KUHL: Just the gold.

[Mr. Quelch.]

Mr. BRADETTE: I know the monetary system is resilient and lasting. I did not get the witty remark of the hon. member.

An hon. MEMBER: He is shooting the bull.

Mr. BRADETTE: They did not use that sort of language in Pontiac or in any gold mining district. I challenge any of these hon. members to go to Pontiac and make the speeches they just made against gold. I know the hon. member for Pontiac cannot relish their viewpoint, but by his silence he seems to agree with them. He never uses those expressions in his own constituency, and he never will. I am positive of that, but he must carry the responsibility of the policies of his party.

We have the Bank of Canada at the present time, which is a government institution. We know that a monetary system must be resilient; we know that back of the Canadian dollar or of any monetary system you must have the work, you must have the industry, you must have the energy of the people.

The fact that we have treated this subject with intelligence is seen in the results we attained during the war. Who would have dreamed at the beginning of the last war that Canada would be able to finance the war effort which was put forth by the Canadian people at that time? We were able to do so for one primary reason, and that is that parliament realized the elasticity, the resiliency of our monetary system. But it was more than that, for behind the Canadian dollar there were the Canadian people, who put forward the best effort any people have ever made at any time.

I wish to be reasonable on this subject. I was not here this afternoon, but I was told that the hon. member for Calgary West (Mr. Smith) made as usual a very sensible speech.

An hon. MEMBER: He always does.

Mr. BRADETTE: I know he always does, but sometimes people are easily swayed. On one occasion I was told that mine was the golden voice of the gold mining industry. Certainly I can say that the gold mines of this country have proved a fruitful source of employment for our workers, our farmers and those engaged in our forests. That is what gold mining has meant to Canada, and it is one of the finest ways of developing a newer section of the country.

It is easy for anyone to stand up here and fight for the gold mining industry in view of what the industry has accomplished for the country. I do not always agree with all the statements on gold made by the members who

come from Toronto but I know that they are sincere. I must point out, however, that some of the statements which they made two years ago, at the time the Canadian dollar was brought to a parity with the United States dollar, have not been justified by the events. Those hon. members wanted our gold producers to have access to the world market, to sell their gold on the open market. At that time I stood up in the House of Commons and said that it was impossible for the gold mining industry of Canada to sell gold on the open market of the world.

Mr. SKEY: Why?

Mr. BRADETTE: Why? The thing is as elementary as ABC. Does the hon. member think for one moment that if the Minister of Finance allowed the gold mining industry to sell its production on the open market the industry would not immediately ask the federal treasury to guarantee the collection of the proceeds from such sales? I leave that question with hon. members.

Mr. SKEY: It would be the same as the wheat industry.

Mr. BRADETTE: No, for the simple reason that you are dealing with a different matter. When you are dealing with wheat you know that all the nations of the world want that commodity; but there is only one nation that is willing and ready to buy your bullion at a set cash price, and that is the United States; and are you going to engage in a black market against the United States treasury? That is what it would practically mean. I leave that thought with the hon. gentleman. It would be purely and simply a black market.

Some hon. members have said that as much as $60 an ounce could be obtained for our gold. Let me put this to them, and I am speaking quite sincerely. Suppose tomorrow the Department of Finance allowed the gold industry to sell its bullion on the world market. The next day the industry would be on the minister's doorstep asking, and quite rightly, that he guarantee the collections of the proceeds of those sales, because there would be nothing else for him to do. There is no getting away from that, because these sales would not be made to governments but to individual buyers.

I am not speaking as an expert. I am speaking as a layman, and I believe with common sense, but I have lived in that section of Canada for many years and I know something about the working of the gold mining industry. From such knowledge as I have, I wish to say this with reference to the bill before us, that it is a good measure and a big step in the right direction. I do not suggest that it is perfect, but I would suggest to hon. members that the Department of Finance has always been open-minded so far as the gold mining industry is concerned. Let us be fair. We are all practical men or we should be; if there is one man here who should be practical in regard to this particular question it is myself, and I may say that I could have bitterly attacked the placing of our dollar on a parity with the United States dollar because it hurt the section of the country that I represent here. But the gold mine owners are Canadians and they are good citizens. They knew that the industry was being hurt, but they envisaged the national economy as a whole and they conceded that it was a good thing that the Canadian dollar was being placed at parity with the United States dollar. When the then Minister of Finance, the present Minister of Justice (Mr. Ilsley), in the month of July, 1946, made his statement in this house with respect to dollar parity he stated at the time that it would harm to some extent the gold industry.

In my constituency there are three large newsprint mills which at present use a little over 3,000 cords of pulpwood per day, and on the night the announcement was made by the then Minister of Finance that our Canadian dollar was at par I received some telephone messages from the management of one of those big mills. I told them not to worry, because the price of newsprint, the price of sulphite, the price of lumber and the price of pulpwood were not all rigidly controlled by the United States treasury, whereas in the case of gold the situation was entirely different. This was so true that it was only a few days later that newsprint increased by $7, $8 and in some instances by $10 a ton.

The gold industry, on the other hand, found itself in a precarious position. But these men in the gold mining industry were fair, even though they had to be critical, and naturally they had to put their case and problems before the public and the government. As I have said, however, they envisaged the national economy as a whole and they did not use the kind of language that was used by some of the so-called mining papers. They were more reasonable than others that tried to agitate the people, and this is all to their credit. The leading men in the gold mining industry realized that the best and most logical and at the same time the most sincere sort of agitation was to state the facts clearly and forcibly, and to show that the

gold mining industry deserved careful consideration at the hands of the government as well as at the hands of parliament. The gold mining industry has always played the game, and for that reason these men felt that it deserved every consideration possible and rectification of their position.

When, early in the last war, the federal treasury requested an intensive gold mining production, the gold mining industry of Canada answered at once, without the slightest hesitation, and in doing this it was helping the serious dollar situation in which the country found itself, before we had special agreements with the United States. In many instances they went so far as to deplete their ore reserves, so much so that some of these mines like Hollinger, McIntyre, Lake Shore, and many others for many months and in some cases for a year or two, suffered a depletion of their reserves, which is always a serious situation for a mine. But they did this from a national point of view. They wanted to do all they could to further Canada's war effort.

Two years later, on account of the labour shortage and the shortage of essential metals, they were asked to shift some of their men to employment elsewhere, to the nickel industry at Sudbury, for example, or to the steel industry, and once again the gold mining industry responded magnificently and without any hesitation whatsoever. On that score alone, therefore, I know that the sympathy of the whole of Canada has been behind the gold mining management, and I repeat without fear of contradiction that our gold management has been second to none so far as labour and the working conditions of labour are concerned. It is not perfect; nevertheless it has done some marvelous things.

Here I should like to say something that may perhaps seem to be rather of local interest, but I believe that I am justified in bringing it up because it is also of interest to the nation at large. I may say that our Barbara Ann Scott got her first effective training in the summer months in one of the finest skating rinks in the country, the rink built at Schumacher by the McIntyre mine, to which every worker in the gold mining industry of that section has full access.

In my opinion management in our section of the country has been too humble about what they have done in the matter of health and improved working conditions, et cetera. It should have let the rest of Canada know what was being done for the workers. Unfortunately at times we have had the wrong kind of agitation in our section of the country, where some people have been trying to stir up the population even against their own labour leaders.

[Mr. Bradette.]

Only a few weeks ago the hon. member for Nipissing (Mr. Gauthier) and the hon. member representing the Temiskaming district and myself pleaded with the government to stop a certain man who was trying to mislead the workers in our section of the country. I could speak of men like the Bickells, the Timmins, the Schumachers, yes, thousands of others that gave their best in its development. Is it because they have taken chances; is it because they have been energetic that they should be penalized? Some started from the ground and worked their way up. No doubt many hon. members listening to me participated last year in a banquet given by the mine managers and operators and everyone who listened to men like Mr. S. L. Longmore, for instance, and other speakers, was impressed with the sincerity of these men, their logic, their comprehension, realizing that they were humanitarians whose one desire was a solid and prosperous industry and peace between labour and management. Every one of these men at that banquet was always at the disposal of the worker to go up and discuss the affairs of the workers with the management. That is one of the best ways to obtain co-operation.

That is why I am in favour of this bill. As I say, it is not perfect, but it is capable of amendment and if necessary of some changes from time to time as new problems arise. When some periodicals say that the government has done nothing for the gold mining industry since 1946 they are not speaking the truth; they are not trying to be fair. Several things have been done and several things have been tried in connection with this important problem. I might point out that I took it upon myself to go to the United States to find out what could be done, what was the situation there. I want the house to realize that United States gold producers are in the same position as our Canadian gold producers. The cost of living has gone up there, as have the wages; also the cost of materials necessary for the exploitation of gold mining is higher in the United States than it is here at the present time. So when we talk in terms that we should increase the price of gold by $8, $10, or $15 an ounce, we must be very careful indeed.

Some speakers in that group across the floor will say, forget about the United States. They go so far as to say, forget altogether about the gold mining industry; they even wish its destruction. I do not want to see that day come. I hope it will never come. Let us pause and see for a moment what it would mean. In the Porcupine district alone at the present time we have over 75,000 people gainfully employed in gold mining. They have built some fine permanent towns; there are

some fine schools, and all the public utilities services possible; towns built on permanent lines. There are in northern Quebec, northern Ontario, northern Manitoba and British Columbia, in the gold mining sections of Canada, people from every section of Europe and of Canada working to develop that needed metal for the benefit not only of the section in which they live, but also for the benefit of the whole of Canada.

I could go on indefinitely speaking on this matter. I hope that this summer, if it is at all possible, we may again inaugurate some excursions into northern Ontario and northern Quebec for the members and senators. Two years ago the Ontario mining institute brought, I believe, twenty members of parliament and senators on an educational tour into the Porcupine, Kirkland Lake and Rouyn-Noranda section. For most of them it was their first visit, and they declared that it was a revelation to them. They saw the situation right on the ground.

I am not going to talk politics, but inasmuch as we hear of some people who seem to fear personal initiative and the making of reasonable profits, I am just going to say this. As far as development is concerned, in the initial stages of gold mining more money has been lost than has been made. When you see the work of the prospectors, the promoters, the first engineers and the first men who go into these apparent mud holes, where you have water, even in the summer, right up to your knees, taking a gamble with their own money and that of others—because there will always be a certain amount of gambling attached to it; there is no getting away from that—and working for months and years before they can get a dollar of revenue, and on many occasions meeting with complete disappointment, you must admire their courage, their determination. This is the kind of industry which has enlarged the borders of Canada as a whole, and has pushed back its frontiers. In northern Canada we have a wonderful treasure house. There used to be a time, even in the section of the country where I live now, when we thought it was not even fit for the Indians and Eskimos. In the riding which I have the honour to represent now, when I went there in 1909 as a settler in that famous clay belt in the centre of the gold mining section, there were about 1,000 people consisting mostly of Indian trappers, white trappers, and a few prospectors. Today I have the honour and the great responsibility to represent in this house some 140,000 people. That shows the development that we are bound to have in northern Canada, and that applies to nearly every foot of ground of that immense territory. We no doubt have it to the same extent in the Northwest Territories. We have it to perhaps a large extent in British Columbia.

I am going to make this prophecy. In northern Ontario and in northern Quebec if we are careful with our mining, if we are careful with its development, and if the government and everyone concerned have foresightedness and realize the importance of this industry to the national economy and prosperity of this country, we shall have there the greatest development that any nation has experienced in the last forty years. I know whereof I speak. We hear about the resources of Labrador. The new member from northern Quebec (Mr. Gourd), who so well represents that section of the country, well knows the potentialities they have there in mineral resources. In northern Quebec and northern Ontario we have what we call the wonderful clay belt, one of the most fertile and arable sections of land there is in Canada at present, and that is intermixed with that fine mineral belt. There are no heavy hills. Apparently by glacier action those hills have been erased or rather greatly worn down. There are fine prosperous agricultural communities there. I am going to take the opportunity of mentioning just a few in my own constituency: Raymore, Val Gagné, Cochrane, Fauquier, Kapuskasing, Opasatika, Moonbeam, Matheson, Hearst, and many others, all names that hon. members have heard. They have an unlimited regional market in the mining centres. The Montreal, Toronto and other markets are quite far away for us to cover because of the long freight haul. But those regional markets are a wonderful thing in agricultural development. The same thing applies to our forest development, because a lot of timber and lumber is used in mining.

I speak feelingly on this subject, and I know that I am receiving a fine and comprehensive hearing from every section of the house. Again I repeat what I said a few moments ago. When I was in New York last fall I was happy to read the accounts of the speeches made by the leader of the C.C.F. party when he was in my section of the country. The hon. member for Cape Breton South (Mr. Gillis) has also been there. He has done some good work. We know that he is constructive in his labour activities. He wants to do what he thinks is best for the welfare of Canada and for gold mining, because if gold mining is not prosperous or is on a submarginal basis, they cannot pay the wages necessary to be paid to the worker to live confortably. When hon. members are, I would not say converted, but convinced of the urgent necessity and the serious problems facing the

gold mining industry and use their influence accordingly, it will again come into its own. It is not a bankrupt industry but it is in need of practical help. At the present time one may read certain reports, but it is far from being bankrupt. However, it has suffered to a large extent, and it has suffered on account of losing the $3.50 per ounce.

Just one word about subsidies. I know some hon. members of this house will say, Well, you are against a subsidy on milk; you are against the subsidy on this and that, but you are in favour of a subsidy for gold mining. I am not in favour of subsidies for gold mining. I want hon. members to analyse and to judge the situation of gold mining impartially. Is there any other industry in Canada that has suffered as grievously as it did when we put the dollar at parity? I think not. Steel has not suffered in the same way. Neither has nickel. No other mining industry has suffered in the same way or any of our export goods. I repeat that this industry wants to be practical and has proven to be logical. It has no politics, but it realizes the great role that it has to play in the post-war period. The people in my section of the country, the mining interests, would resent it if I had the audacity to make a political speech on this important question. That is why I so highly appreciate the fine attention I have received this evening from every section of the House of Commons. We do not come before parliament as mendicants, hat in hand, for special privileges. We want you to judge the situation impartially and practically. I know if we unite our efforts we can succeed; that we will succeed in this case.

On the question of maritime rights my section of the country always gave its support 100 per cent. With regard to wheat, you fine farmers in the west will always get support from our section, the mining section of Canada; in all the problems you may have to face, our people, all our section of Canada, will give that support diligently and voluntarily, and we make your problems our problems and naturally we expect the same favourable support of our difficulties. I believe that under such circumstances we have the right to expect for my section of the country that the problem which means so much not only to us but to the whole of Canada, will be given support and attention and all the study possible so that a solution will be found that will be reasonable to the industry, and will allow it to play its part in our aim for a prosperous and greater and stronger nation.

Mr. SKEY: Did I understand the hon. member to say the gold producers would require a guarantee from the federal government before they would export their gold? Did he say they would require a guarantee of protection from the federal government before they would export gold for sale abroad?

Mr. BRADETTE: I appreciate the question that has been asked, and perhaps the house will give me two minutes in which to reply. I have discussed this problem with many mine owners and producers. They would like an open market, but at the same time they are afraid of it. Suppose, for example, they sold their gold in Egypt or India at $50 an ounce. That gold would not be sold to the government of Egypt but to some individual. What guarantee would the producers have that they would receive Canadian dollars or the equivalent for the gold? Under such transactions, the sellers would certainly have the right to ask the government to guarantee the collection.

Mr. SMITH (Calgary West): It would be cash on the barrel, of course.

Mr. SKEY: You give them a chance and they will try.

Mr. BRADETTE: They will not take the chance.

Mr. ABBOTT: Mr. Speaker—

Mr. SPEAKER: If the minister speaks now he will close the debate.

Hon. DOUGLAS ABBOTT (Minister of Finance): Mr. Speaker, I do not think it will be necessary for me to make any very extended remarks in closing the debate, but perhaps there are some things I should say. At the outset, however, I believe we have had a useful and helpful debate on the second reading of this bill, in which members on all sides have, I think, made a valuable contribution to a real understanding of the purpose of this legislation.

On December 11 last I made a statement to the house outlining the program the government proposed to recommend by way of assistance to the gold mining industry. That program involved certain modifications of the original proposals I had announced in my broadcast address of November 17. Those modifications, as I stated at the time, had come about following representations which had been made by the gold mining industry, and following consultations which had been carried on with the international monetary fund to which, of course, as a member Canada had certain obligations.

As far as the industry is concerned, the representations made to us were to the effect

that the original proposal, which was to defray for a three-year period the costs of additional gold production over and above the amounts produced in the base year, which ended December 31, 1947, to the extent of $7 per fine ounce, would not serve to prevent the continued deterioration of the industry and the closing down of additional mines. As far as the international monetary fund was concerned, the consultations were begun immediately after my original announcement, in order to make sure that the detailed working out of the plan was in accordance with our obligations as a member of that organization. In my broadcast I had stated that because of these obligations the details of the program could not be made known until we had discussed them with the fund, and that consequently details would not be made known until I announced them in parliament. But I did indicate in general terms what our proposals were, in order to prevent speculation in the meantime.

In the course of our discussions with the fund it developed that the payment of a fixed dollar amount per extra ounce of gold produced was open, from the point of view of the fund at any rate, to the objection that it might be represented as constituting an increase in the price paid for gold by the government, which, of course, would be contrary to the fund agreement. So in the light of these representations and the consultations to which I have already referred the government decided to modify its proposals, and the general nature of those modified proposals I explained in my statement on December 11. Later, on December 19, when I moved the resolution preceding the introduction of this bill, I elaborated on those proposals.

I do not think it is necessary for me to discuss them now in detail, but when we are in committee we can discuss how those proposals will work out in detail. In view of what has been said during the course of this debate, perhaps I should deal briefly with two general considerations which I consider important in connection with this measure.

In the first place I should like to say a word with respect to its relation to our international obligations. At the end of my statement after moving the resolution on December 19 I placed on *Hansard* two public announcements made on December 11 by the international monetary fund, following our consultations with them, as well as a statement which had been made the following day by the national advisory council of the United States government. The first statement by the fund attempted to make clear just what the obligations of the member countries are in connection with legislation to subsidize the production of gold. The fund, it was pointed out, has an obligation to see that the gold policies of its neighbours do not undermine or threaten to undermine exchange stability; and under certain sections of the articles of agreement members of the fund are prohibited from buying gold at a price above parity plus the prescribed margin. In its statement the fund pointed out it was felt that a subsidy in the form of a uniform payment per ounce for all or part of the gold produced in any country would constitute an increase in price which would not be permissible under the fund agreement. In another section of the agreement each member of the fund—

> . . . undertakes to collaborate with the fund to promote exchange stability, to maintain orderly exchange arrangements with other members, and to avoid competitive exchange alterations.

It was felt by the fund that subsidies on gold production would offend against that provision if the subsidies were such as to cast doubt on the uniformity of the monetary value of gold in all member countries, or if they tended to contribute directly or indirectly to monetary instability in other countries. In the light of these two sections of the agreement to which I have referred, our original proposal was found to have objectionable features; and incidentally these provisions of the fund agreement are also the provisions against which allowing a free market for gold or selling gold abroad at premium prices would probably offend.

There were two statements issued the same day. In its second statement the fund made it clear that it had examined the revised Canadian proposal, which is the one incorporated in the bill now before the house, in the light of its general statement of policy to which I have just referred, and had—

> . . . determined that in the present circumstances the proposed Canadian action is not inconsistent with the policy stated by the fund.

That statement, I may say, was a matter of gratification to the government in view of the objects and purposes we were seeking to achieve. Before I leave this point we should recognize, and I should like to draw to the attention of the house, the significance of the statement issued by the national advisory council of the United States government. Hon. members will recall that this council consists of the secretary of the treasury, the secretary of state, the secretary of commerce, the chairman of the board of governors of the federal reserve system and the chairman of the board of directors of the export-import bank. On behalf of the United States government the national advisory council welcomed the fund's statement of policy and its expressed intention

to keep under review the gold policies of its members as an important forward step in the field of international financial co-operation. It referred to the peculiar and continuing interest of the United States as a gold-buying country in the role which gold subsidies may come to play in the production, movement and price of gold; and in particular the council emphasized that the United States would view with disfavour any tendencies for countries to become dependent upon subsidized gold production as a solution of the problem of arriving at and maintaining equilibrium in the international balance of payments.

In stating that the United States would not subsidize its own gold producers, the national advisory council emphasized that the gold stocks of the United States now amount to $22·7 billion and that in the first eleven months of 1947 gold purchased by the United States from foreign countries amounted to $2·7 billion. That is, of course, the real significance of the council's statement. Under existing conditions the United States government provides the real market for the world's gold; and it is its willingness to hold and to buy gold in unlimited quantities, coupled with certain national and international monetary arrangements, including the international monetary funds, which maintains the price of gold at the standard price of $35 per ounce. As the second or third largest producer of gold, Canada has a real stake in maintaining that market and those arrangements.

I do not quote very often from newspaper articles, but I was interested in an article which appeared in Toronto *Saturday Night* of April 3 written by Wynne Plumptre, who is a recognized authority. The article deals with this question of a free market for gold and I commend it to any hon. member who is interested in matters of this kind. I want to quote only the concluding part of the article which, referring to the international monetary fund, reads as follows:

> The monetary fund is based on gold. Every member undertakes to buy and sell gold at a controlled price in relation to their controlled exchange rate. The fund itself deals in gold. Thus the fund guarantees to gold its position as a monetary metal. It guarantees an international market, and an unlimited market at the fixed prices, for all new gold production.
>
> Without this guarantee the future of gold would be very shaky indeed. During the nineteen-thirties one country after another went "off the gold standard"; the link between gold and the currency was broken. Everywhere people began saying that gold was done for as a monetary metal. Henceforth governments would manage their currencies and their exchange rates without bothering about gold.
>
> Since more than half the gold production of the world went to be used as monetary reserves, the idea that countries would stop using such reserves was very alarming. Double the normal supply would have to go into other uses—such as dentistry and jewelry. Obviously, the price would fall disastrously.
>
> Without the fund, without an agreement amongst many countries to use gold as international money, the yellow metal would once again be faced by this very alarming outlook. It is almost certain that the United States government would stop buying gold mined here; just as it does not buy silver mined here. That is why anyone who is interested in gold production as a long-run proposition, as opposed to a source of quick profits, should be supporting the fund for all he is worth.

Mr. SMITH (Calgary West): Will the minister permit a question?

Mr. ABBOTT: Yes.

Mr. SMITH (Calgary West): You stated a moment ago that the United States would buy all the gold offered in the world at $35 per ounce. The minister knows the world production year after year.

Mr. ABBOTT: We do not know the world production.

Mr. SMITH (Calgary West): You know it fairly accurately.

Mr. ABBOTT: We have no accurate idea of the Russian gold production.

Mr. SMITH (Calgary West): What proportion of the gold produced in the world goes to the United States at that price? It is less than fifty per cent, is it not?

Mr. ABBOTT: I think the United States has in this $22·7 billion something over three-fifths of the known reserves of gold in the world.

Mr. SMITH (Calgary West): A tremendous amount of gold is not going there at all. It may be hoarded, but it is being spread around the world.

Mr. ABBOTT: We do not know accurately about Russia, but taking gold at the rate of $2·7 billion in eleven months of 1947, the United States is taking gold at a pretty rapid rate. There is not very much going anywhere else. I cannot say offhand the total gold production of the world, but Canada as the third largest gold producer produced $106,000,000 in 1947 and the United States took $2·7 billion worth from the world. It is taking a pretty big chunk of the world production. I have not available the figures for the existing production, but I know that without the willingness of the United States under existing conditions to take gold at $35 per ounce there would not be a market for gold in which we could be paid by anything we could use.

Mr. SMITH (Calgary West): That is only a prophecy.

Mr. ABBOTT: That is the statement of cold fact under today's conditions.

The warning contained in the national advisory council's statement against a country becoming too dependent upon subsidized gold production as a solution of exchange problems leads me to the second general point I wish to discuss in closing this debate, namely, the purpose of this legislation.

I do not need to assure the house that, so far as Canada is concerned, there is not very much danger in the contingency referred to by the council, namely, that we shall largely stimulate the production of gold as the result of these subsidies. It is true that the bonus payments we are providing for should lead to some increase in production—I hope they will —but we are not under any illusion that the increased production for this reason alone will be of such magnitude as to become a major factor in the solution of our immediate exchange problems. Any contribution which it makes will, of course, be most helpful, but unfortunately there are other important factors at work which, unless conditions change, will be bound to limit the size of that contribution. I refer particularly to the shortage of labour and the mounting production costs which have been referred to by a number of speakers who have taken part in this debate today.

However, I should like if I may to state the primary purpose of this legislation in somewhat broader terms. Our gold mining industry, as has been pointed out by a number of speakers and without any invidious distinction by my good friend, the hon. member for Cochrane (Mr. Bradette) in particular, occupies a strategic place in our economy, particularly in the development of the social and economic structure in our great northern areas.

As everybody knows, our gold mines are located for the most part in that great mineral bearing area, one of the greatest in the world, which stretches right across the Pre-Cambrian shield in northern Quebec and Ontario, through northern Manitoba and Saskatchewan, up into the Northwest Territories and then down through the mountain area of British Columbia. Many of the mines are small and scattered in remote areas. A good many towns and hamlets have been developed which are solely dependent on them, as are also in certain cases small agricultural communities.

It was the search for gold and other precious metals which was probably the primary factor leading to the discovery of those great mineral areas where the all-important base metals of nickel, copper, lead and zinc and, more recently, the strategic uranium, are produced, with such important results to the wealth and strength of the country. During the depression years of the thirties gold mining was a powerful factor supporting employment, business activity and the soundness of our international position.

In these and other ways the industry has made an important contribution to our national life. It has been a great dynamic factor in our economic development. By promoting the settlement of our great northern areas it has given the country depth as well as breadth. To us it is synonymous with the north, and I think we all have tremendous faith in the role which the north has still to play in expanding our national wealth and income and promoting our defensive strength.

If that be so, and I think all hon. members will agree with me in that statement, it is important that the industry be maintained in a healthy condition. As I have indicated, during the thirties it was very active and prosperous and its output increased to a peak of approximately $206 million in 1941. That was natural and inevitable. I do not need to tell hon. members that, as long as gold remains directly or indirectly the basis of the monetary standard, it will thrive in depression and languish in periods of prosperity. Its fixed price means that, as costs fall during the downswing of depression the industry's profit margin widens, but as costs again begin their upward climb with the coming of full employment and the boom stage of the cycle the profit margin also narrows and in some cases may disappear entirely.

At the height of the war the necessity of mobilizing labour and essential materials for vital purposes added still further to the industry's difficulties. Production declined steadily after 1941 until the late summer of 1945, and for the year 1945 the output of gold in Canada had fallen to $102,000,000. With the end of the war it was hoped that the industry would before very long be able to get back to its peak production. But while production did pick up to some extent, early expectations were disappointed. The war had brought a more rapid rise in the wages paid by other competing industries and the competition of these industries for labour remained very keen. It therefore proved difficult to rebuild depleted labour ranks and, before long, costs began to rise. Then in July, 1946, came the restoration of the Canadian dollar to parity. May I interject that that action was not only not criticized by anyone to my knowledge, but it was praised and recognized by most as necessary and inevitable. It certainly was not criticized by any hon. gentleman opposite.

Mr. COCKERAM: Oh, yes.

Mr. SKEY: The hon. member for York West (Mr. Adamson) immediately rose and criticized it.

Mr. ABBOTT: My hon. friend did not rise and criticize it.

Mr. SKEY: I say that the hon. member for York West did.

Mr. ABBOTT: I do not recall it, but if the hon. member for York West did, he was the only one. The hon. member for Trinity (Mr. Skey) did not.

An important purpose of this action was to safeguard against a more rapid rise in Canadian costs and prices which would otherwise have been inevitable, but the fact remains that its immediate effect in the case of the gold mining industry was to reduce the price of the industry's product in Canadian dollars roughly from $38.50 to $35 per ounce. Since that date there has been a further substantial increase in wage and other costs.

As a result of all these factors, production in 1946 amounted to only $104 million and in 1947 to $106 million. Much potential production had become or was about to become unprofitable. A number of mines had closed down and a larger number were claimed to be operating at a loss. The closing down of marginal mines not only would bring hardship to many northern communities but would mean in many cases so great a cost to reopen that the mines would probably be lost forever as producing entities. Prospecting for new properties had slowed down and it was increasingly difficult to raise new funds for exploration and development. If this process were to continue unabated, serious damage would be done to the existing social and economic fabric of northern Canada, and the further development of the north would probably be slowed down materially.

This was the type of situation which the government's proposal was designed to remedy, the type of danger it was primarily designed to avoid. The bonus we propose to pay should enable most mines at least to maintain and perhaps to increase their current production to some moderate extent. It should enable many mines to avoid closing down with the hardship this would cause to many communities and the social and economic waste involved in the probable necessary transfer of population and the abandonment of homes and other forms of capital investment.

Those are the main reasons, Mr. Speaker, which prompted the government to take the action which it did. The house will notice that the assistance which it is proposed should be given is based on half the difference between the fixed figure of $18 per ounce and the actual cost of producing an ounce of gold in the particular mine; this means that it will be particularly helpful in the case of the remote mine and the marginal or high-cost mine. The program should also help to maintain hope and interest and faith in the industry, make it easier to raise capital, and thus assure the continuance of normal exploration and development work. In other words, it should, we believe, serve to preserve the industry and maintain it in greater health and vigour in a period when rapidly rising costs of production combined with a fixed price were threatening to stifle it. To the extent that the program results in an increased output of gold—and we believe it will to a moderate extent—it will provide a much-needed increase in our reserves of gold and United States dollars. In this connection it is important to note that this contribution will be made without any great increase in the use of our resources, as the gold mining industry is one which is running at only about half its capacity. I do not think there is anything more I need say.

Mr. JACKMAN: What is the long-term policy?

Mr. ABBOTT: Of course it is not my particular function to state what the long-term policy of the government is with respect to the mining industry. That more appropriately comes within the purview of my colleague the Minister of Mines and Resources (Mr. Glen). We have on our statute books and have had for some time, particularly in the tax legislation, special incentive legislation to encourage the gold mining industry. This policy is one which is intended to assist the industry over a temporary period when costs are abnormally high. As to the long-term policy I am not prepared to make a statement now, and I do not think it is appropriate that I should, beyond saying that the dominion government will, as in the past, always be interested in the prosperity and well-being of the gold mining industry, although we do not intend to single out the gold mining industry any more than any other industry for special treatment.

So far as the details of the bill are concerned, I think they can better be dealt with in committee when we are discussing the individual sections of the bill.

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

On section 1—Short title.

Mr. JACKMAN: May I just say to the Minister of Finance in reply to his statement that no member of the Progressive Conservative party had anything to say in criticism of the government's action on July 5, 1946, I think it is well remembered by many on this side of the house that the hon. member for York West and the hon. member for York South did have considerable to say. It is also very well remembered, by me at least, that four or five days prior to July 5, 1946, the question arose in one form or another in the house, and I made the statement at that time that it was extremely injurious to Canadian business to have the government make arbitrary changes in our exchange rate, and that if the government would leave the exchange rate to its own natural workings we would have a situation with which businessmen could cope and they would not be thrown out of gear so completely as they were on July 5, 1946.

If we consider for a moment just what the circumstances were surrounding July 5, 1946, it will be remembered that OPA, the price control system in the United States, had gone off on July 1 of that year and that a rise in prices was expected in that country. A repercussion of that rise was expected in Canada by a good many people. The cost of living was already higher in the United States that here. Products were cheaper in price, and it was felt that there might be considerable increase in exports from Canada which would deplete our markets and perhaps make it impossible for our government to exercise price control as it was in operation at that time. I well remember this particular matter, because the Ottawa *Journal* was kind enough to give me a short editorial notice on July 5 and said, if I recall correctly, as its caption, "A prophet in the House of Commons." I clearly indicated that we might expect from the government some change of an arbitrary nature in regard to our exchange rate with the United States; and again, as I pointed out at that time, it was much sounder for the government to leave the exchange rate to the free operation of economic forces rather than to the artificial method which they subsequently adopted and which they have continued to adopt to this day. Businessmen do not know where they are, and I think without question at that time, on July 5, 1946, the Canadian dollar, which had been at ninety cents in relation to the United States dollar, would have improved itself of its own accord without any help from the government. The arbitrary action of the government—

Mr. ABBOTT: Nothing like hindsight.

Mr. JACKMAN: —did nothing more than to raise it in a way which business could not allow for, and many people were caught off guard in the sense that people who had small amounts of United States exchange, the tourist people, the season then being at its height on July 5, 1946, found themselves with a few hundred dollars of United States money in their pockets, and in place of getting the ten per cent premium on it, found they had to suffer the loss themselves.

The CHAIRMAN: Order.

Mr. JACKMAN: We are on the title of the bill, Mr. Chairman.

The CHAIRMAN: We are on the title, which is section 1 of Bill No. 7. I have allowed the hon. member to make certain general remarks, but I should remind him that in committee we must discuss the section under discussion and we must discuss the section strictly.

Mr. JACKMAN: I have only a few more words to say, Mr. Chairman, and perhaps we might be content with that. I might also point out that it is not the function of the opposition just to oppose unless they have some special reasons for it. On July 5, 1946, the whole international position in regard to prices, with the United States going off price control, was an unknown factor. As I recall it, the governor of the Bank of Canada was away on holidays at that time and was recalled for an urgent and unexpected session of the bank. I do not think the minister is justified in criticizing the official opposition for not having raised its voice more strenuously than it did on that occasion. It gave a clear warning; it pointed out the proper system to follow, namely, the natural working of economic forces. But the minister chose to do otherwise, and now is not the time for him to fling back in our faces the fact that we did not come out and tell him what his business was when we did not have the facts at our disposal.

Section agreed to.

On section 2—Definitions.

Mr. ABBOTT: May I say a word, Mr. Chairman, before we carry this section? I have two or three amendments to some of the subsections. They are purely technical in character; there is nothing really of substance in them. I shall ask one of my colleagues to move these amendments at the appropriate time. Perhaps I should give the proposed amendments and then we can discuss the section as a whole. The first is an amendment to section 2, subsection 1, paragraph (b)

relating to the base year. The amendment contains an added proviso, and reads as follows:

That subparagraph (i) of paragraph (b) of subsection 1 of section 2 of Bill No. 7 be amended by deleting the comma and the word "and" at the end thereof and inserting a comma and adding the following proviso:

"Provided that where the operation of any such mine was wholly suspended throughout that period, the base year means the period of twelve months commencing with the day on which operation of the mine is resumed after the thirtieth day of June, nineteen hundred and forty-seven, and"

It is to cover the case of a mine which, as the wording will indicate, had been wholly suspended throughout the period. It was a contingency which had been overlooked in drafting the original section.

Then section 2, subsection 1, paragraph (c), which relates to the definition of the cost of production, is amended by deleting lines 8, 9 and 10 on page 2 of the bill and substituting the following:

in respect of any matter for which a deduction is not allowed in determining income from the mine for the purposes of the Income War Tax Act;

This is just for greater tidiness in drafting.

Then there is another amendment to section 2, subsection 1, paragraph (d) as follows:

That paragraph (d) of subsection 1 of section 2 be deleted and the following substituted therefor:

"(d) 'designated year' means a period of twelve months commencing on the first day of January in the years, nineteen hundred and forty-eight, nineteen hundred and forty-nine or nineteen hundred and fifty;"

It was suggested this afternoon by the hon. member for York South that the first of January should be substituted for the first of December, and this amendment will give effect to that suggestion.

Section 2, paragraph (h) of subsection 1 is amended by deleting the period at the end thereof and adding thereto the following words:

"but not in any event exceeding sixteen dollars."

to the definition of the rate of assistance.

Subsection 2 of section 2 is amended by deleting the word "and" at the end of paragraph (b) thereof, by deleting the period at the end of paragraph (c) and substituting a semicolon and the word "and" and by adding thereto the following paragraph:

"(d) gold produced from a mine during a designated year shall be deemed to be sold during that designated year if it is sold as soon as is practicable after the end of that year."

Mr. COCKERAM: Excuse me, Mr. Chairman. That is a change from $18 to $16, is it?

[Mr. Abbott.]

Mr. ABBOTT: Not exceeding $16. The section will now read:

"rate of assistance" for a mine for any period means the amount that is fifty per cent of the amount by which the average cost of production of gold from the mine during that period exceeds eighteen dollars but not in any event exceeding sixteen dollars.

Mr. SKEY: The total assistance will run up to $50.

Mr. ABBOTT: I have read the last amendment. It was felt that if the gold were produced on the 31st of December, perhaps it would not be possible to sell it on that date. That provides a little more flexibility to the section.

Perhaps my colleague, the Minister of Labour, will move these amendments. They are all amendments to subsection 1 of section 2.

Mr. MITCHELL: I so move.

Amendments agreed to.

Mr. MacNICOL: Before the section as amended carries, I should like to ask the minister a question. There is nothing new in the debate that has gone on today, particularly in the part that I heard. It is more or less similar to what took place in the thirties when the same problem was before us. But in those days the statesmen in Canada and in the United States approached the difficulty from another angle, which was to advance the price of gold. Has any discussion taken place with the United States or with whoever is concerned—at that time England was concerned—on advancing the price of gold? On that occasion gold was advanced from $20 odd an ounce to $35, and it had the immediate effect of breaking the depression of those days. Advancing the price of gold in the early thirties broke the depression at that time. Everyone knows that the cost of producing an ounce of gold has gone up materially since then. Has there been any discussion with the financial experts at Washington or elsewhere in regard to that problem? Has the time not come again to advance the price of gold from $35 to $50, or, as they were talking of at that time, $100 an ounce?

Mr. ABBOTT: I can say to my hon. friend that there have been no such discussions. Even if there had been, I would not be able to tell him about it, but there have not been any such discussions. So far as I am concerned, and I have been informed by my officials, there have been no such discussions so far as Canada is concerned.

Mr. MacNICOL: I am not going to oppose what the minister is trying to do. There is a problem to be met, and this is his proposal. But on the other occasion the very effective

proposal was made and carried out which did solve the whole gold problem at that time. I would have thought that, before a bill like this was brought in, it would be discussed with those who are going to buy the gold.

Mr. ABBOTT: The action that was taken in the thirties was initiated by the late President Roosevelt himself without consultation with any other government, or so far as I am aware without any discussion with any of his officials or anyone else; and, so far as I am aware, there was no discussion with officials of any other government.

Mr. MacNICOL: It was initiated in Canada and it was argued in Canada by a very great man still living, thank God, Mr. Peter L. Robertson of Milton, Ontario, who was the father of the program to advance the price of gold.

Mr. ABBOTT: He may have put it in Mr. Roosevelt's head.

Mr. MacNICOL: I and others brought him to see the prime minister of that day after touring Ontario and the United States; then he was invited to Washington, and I believe the prime minister of that day went with him to Washington. It was from that commencement by Peter Robertson of Milton, Ontario, that the price of gold was advanced. Of course they had to have the consent of the United States. Later they sent a deputation to England to discuss the matter there. If nothing has been done along that line, perhaps it is too late now, but I should have thought that some program would be followed similar to that initiated in the early 1930's by Peter Robertson to advance the whole price of gold, so that all low-grade mines could be brought into production and more gold produced.

Mr. KNOWLES: I wish to ask the minister to try once again to explain to me and to others who may be asking similar questions just how this is really to the advantage of Canada. I will ask him a question in relation to section 2 (1) (h), which is being amended by the motion now before us. That subsection sets out the rate of assistance, and I note that the minister's amendment will put a ceiling on the amount of assistance that is available.

I take it from the subsection as amended that this is the situation. If it is costing a gold mine, meeting the other conditions laid down in the act, $50 an ounce to produce gold, that gold is sold in the United States at $35 an ounce. The gold mine gets $16 assistance from the government, which leaves the net cost to the gold mine itself at $34 for the ounce. Now I can see the advantage to the gold mine in being assisted to the point where production which cost it $50 is reduced to $34, which leaves the mine a profit of $1 an ounce.

My simple question is this. Is it really to the advantage of Canada as a whole to spend $16 out of the federal treasury to enable a private gold mine in Canada to bring in for itself $35 of United States exchange?

Mr. ABBOTT: My hon. friend is, of course, taking an extreme case, and I answer at once that I would not think it would be of advantage to Canada to carry on such a thing for any length of time. But that $50 might be the initial cost when the mine is getting going. It would be a marginal mine and it would yield only $1 an ounce on that basis. This legislation contemplates assistance for three years. As I tried to emphasize in the statements I made in closing the debate on the second reading a few moments ago, one of the main purposes of the legislation is to keep some of these mines going, to keep them open, in the hope that the communities will not be broken up in this period of abnormally high costs, and in the expectation in a good many cases that these costs will be brought down.

I would at once concede that no operation which would cost for a period of time $50 to produce something that could be sold for only $35 should be continued in existence. But my submission is that in the over-all picture, in view of the large place which the gold mining industry occupies in the Canadian economy, and in view of its tremendous importance to a great many of these scattered northern communities, it is desirable as a temporary measure to give this measure of assistance, first, in order to maintain and perhaps moderately to increase our production of gold, and to improve our exchange reserves and, second, to keep the communities going. That is the purpose.

Mr. KNOWLES: I thank the minister for the reply he has made, but there are two or three things that I must say. First of all, he points out that I took an extreme case of $50 an ounce. Yes, I did; and I did so because the minister had just proposed an amendment to set the ceiling at $50 an ounce, which seems to me to suggest that, without that ceiling, there was in the minister's mind the thought that higher amounts might be asked for by the mines.

Mr. ABBOTT: As the legislation stood, there would have been no limit, of course, and that was not the intention.

Mr. KNOWLES: If the minister felt it necessary to put this ceiling in, it looks as if we can anticipate that there will be cases right

to that extreme point. But even if that is not so, even if the average run is in terms of $40 as the cost for the production of an ounce of gold, this means that the company pays the first $18 but gets 50 per cent of the other $22. In other words, the company gets $11—

Mr. ABBOTT: Not on all its production, remember.

Mr. KNOWLES: I recognize that, but with respect to the portion of production set out in the act. With respect to that portion, however, it gets $11, which reduces its costs from $40 to $29, so that it is able to make a profit of $6 an ounce. It makes that profit of $6 an ounce because of the assistance of the government; and it leaves Canada in this position again, that we are paying $11 out of the federal treasury to make possible the bringing in of $35 of United States exchange, which goes into private hands.

Mr. ABBOTT: That is, $11 on a third of the production. The other $35 comes in, and there is another two-thirds for which we get $35 in United States currency and on which nothing is paid out of the treasury—

Mr. KNOWLES: I appreciate that.

Mr. ABBOTT: —and the mine might otherwise be closed up.

Mr. KNOWLES: But a moment ago the minister's reply was to the effect that when he introduced the measure he emphasized the fact that one of its purposes was to keep these mines in operation because of their importance to a great many communities in Canada. I recognize that need; but I submit, Mr. Chairman, that that is on all fours with the kind of need which the hon. member for Cape Breton South referred to when he spoke about coal mining. It is on all fours with the discussion we had yesterday concerning freight rates, and it is on all fours with any economic problem in connection with which the need for subsidies arises. In the debate today member after member, like the hon. member for Calgary West, insisted that this was not a subsidy in the usual sense. Member after member insisted, and if my memory serves me aright the minister did also, that the fundamental reason for an emergency measure of this kind is the exchange problem. I submit that neither the minister nor hon. members can have it both ways and go from one argument to the other.

Mr. ABBOTT: It is not going from one argument to the other.

Mr. KNOWLES: If the basic reason for the bill is the need to save certain industries, that makes it sound like a protectionist measure and it might be interesting to pursue that thought; but if the need is to do certain things that are required to be done for sections of the Canadian people, then I submit that the members cannot draw a line between this and the demands for subsidies on milk, bread, transportation and other things that we have argued from time to time on the floor of this house. That being the case, I submit that the minister must, if he intends to present this as an emergency measure, relate it to our exchange position and make out a much stronger case for this measure as a means of solving our exchange problem, than it seems to me he has yet done.

Mr. ABBOTT: My hon. friend is making a second reading speech on that question. That point is one which could be properly raised on second reading.

Mr. KNOWLES: I have said what I intended to say, in any event. But I am not so sure that the minister is right in raising that objection. We are now discussing the whole business of the rate of assistance to these people, and I submit that the case which the minister has made for this kind of assistance on the basis of our exchange position is just not strong enough, and that it leaves us right back in the other position, namely, that the real reason for this is to help an industry and allegedly to protect the interests of certain Canadian workers and certain Canadian communities. If that argument applies in connection with gold, it applies in connection with coal, milk and a great many other things in this country.

Mr. SKEY: I should like to apologize to the minister. When I interrupted him a few minutes ago I was wrong. There was no immediate protest when the Minister of Finance on July 5 of last year moved his parity measure. The protest did come later.

Section agreed to.

On section 3—Assistance payments.

Mr. COCKERAM: I wish to mention the question which I brought up this afternoon and which was also mentioned by the hon. member for St. James. I think the minister has been approached by the producing mines with regard to section 3, subsection 2 (b) being changed to one-half instead of two-thirds. Can the minister give that some consideration?

Mr. ABBOTT: Yes. I have given it quite a good deal of consideration and felt that we could not accede to that request. I think I indicated, in the course of my remarks and in my previous statement, that the international

monetary fund do not look with too great favour on subsidy arrangements as such. Where such subsidies are, as this one is, related to increases in the cost of production, well and good; they have accepted that as coming within the scope of the fund agreement. I am perhaps not giving away any secret when I say that agreement was not given too readily, and I do not think the international monetary fund would view with favour any increase in the type of assistance which is proposed under this bill. I came to the conclusion that we could not increase the assistance to make it extend to half the production over and above that in the base year, but that it would have to be restricted to the one-third.

Mr. COCKERAM: I have in mind that the mines have passed on all this increase they are to get under this act. In view of the fact that this bill is before us partly because of the necessity of obtaining an increased gold production to help with the exchange situation, I thought perhaps something could be done along those lines. It is a very important matter, because the bill as it is going through now does not benefit the industry. It is true that it does benefit the industry to the extent that the workmen are getting that much more money; but for extra development costs and everything of that kind it does not help a great deal. I was wondering if the minister could not reconsider that section once again.

Mr. ABBOTT: I am afraid that this is as far as we feel we can go at this time.

Mr. KNOWLES: The minister spoke about this matter just now and he also spoke about it when he was closing the debate on second reading. Let me put my question to him as briefly as I can. Do I understand from what the minister says that the monetary fund agreed that assistance to one-third of the production is not a subsidy but that assistance to half the production would be a subsidy?

Mr. ABBOTT: No; I did not put it in that way. I said that our plan as it was here, and some people have said that it is complicated, was for assistance which is based on half the additional cost of production over $18, and on the excess over a proportion only of the production in the base year. The fund held that that was not a contravention of the fund agreement. I was very glad that they did so. I do not think it was myself. But obviously if one carries the formula to the point, for instance, where you are giving something with respect to every ounce of gold produced, and not only a portion of the gold produced over that in the base period in accordance with a pre-determined formula, but with respect to every ounce of gold produced in a given year, then you are getting something that is pretty closely related to the price of an ounce of gold. This assistance varies, as hon. members will appreciate, in accordance with the cost of getting the gold out, and it is of particular value to the high cost marginal mine that is just getting by and is of much less value to the established low-cost high-grade producer.

Mr. KNOWLES: It looks to me as though the fund's lawyers came from Philadelphia.

Mr. ABBOTT: They may.

Mr. GILLIS: Can the minister tell us who will administer these regulations? Once this legislation is passed, will the department put accountants in the mining industry for the purpose of checking costs and so forth, or will they just accept the statement of the gold mining companies as compiled by themselves for the purpose of applying this legislation?

Mr. ABBOTT: There is to be a dual responsibility. The technical end will be administered by the Department of Mines and Resources. The accounting end and the checking of the costs and figures will be handled by the controller of the treasury.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Regulations.

Mr. ABBOTT: I have one small amendment to make to section 6 (1) (b) which I will ask one of my colleagues to move. The motion will be:

That paragraph (b) of subsection 1 of clause 6 of Bill No. 7 be amended by deleting the semicolon at the end thereof and substituting a comma and the following:

"or that shall be excluded from the cost of production of gold from a mine for any period in respect of the production of any other mineral or product from the mine;"

So that the section will read:

6. (1) The governor in council may make regulations

(b) prescribing the amount, or the method of calculating the amount, that may be included in the cost of production of gold from a mine for any period, in respect of depreciation, amortization or preproduction expenses, and costs of exploration and development in the mine, or that shall be excluded from the cost of production of gold from a mine for any period in respect of the production of any other mineral or product from the mine;

Mr. MITCHELL: I so move.

Amendment agreed to.

Mr. COCKERAM: I should like to ask a question about a matter I mentioned this afternoon; that is, in regard to the details of

these regulations, especially having to do with development. I pointed out this afternoon that the majority of mines are behind in their development work because of the war, lack of labour, and so on. It may be, if the mines are to catch up with that work, that their costs will be very much greater in the coming months, now that labour is once more becoming available. I believe special attention should be given that matter, and I think it should be discussed with the mining industry.

Mr. ABBOTT: The regulations are not as yet completed, but they will be carefully worked out by the Department of Mines and Resources in consultation with the industry, and every effort will be made to see that they are proper and sound and fair.

Mr. MacNICOL: Since this is the last clause before we come to the regulations, after which the bill will pass—and I am in favour of it—I am going to offer a suggestion to the minister. I am sure his deputy must have a keen recollection of what took place in the early 1930's when there seemed to be a general feeling on the part of those familiar with the gold problem that the price of gold should be advanced considerably. It was advanced to $35 an ounce, but the argument at that time was that the government should have possession of all the gold; that is, that the government should buy all the gold and pay the producer $50 an ounce. The government in turn would sell it at $100 an ounce to those who had to have it. I am not very clear in my recollection of that discussion. I did not get back until six o'clock this evening, and had I known this discussion was coming up I would have refreshed my memory, but it is all in *Hansard*. Since this is a problem which is very important to the country, I should like the minister to read the debates of those days, because it was Washington and London and Ottawa that advanced the price of gold to $35. It could have been advanced further. Perhaps $35 is not enough. Perhaps it should not be less than $50, or perhaps it should be more than that. The gold industry has a colossal effect on a large number of businesses in Canada, altogether apart from those located in the vicinity of the mines, so that it is almost of transcendent importance. I remember very well the great quantities of machinery and steel which were shipped to northern Ontario following the price advance to $35. I do not know how many mines were opened up; perhaps the hon. member for York South would know, but I believe scores of mines in which the gold ore was low-grade were opened and developed at that time.

That broke the back of the depression. It was gold that did that. The government gets the credit, of course, but it was the production of gold that bought about such a resurgence of business in all the towns of Ontario and Quebec in which mining machinery and supplies were produced that the depression was finally broken. This looks to me like just a stopgap measure for a while, and in the meantime I suggest that the minister or his officials make an exhaustive survey and at the same time consult with our friends in Washington as to just how much further gold can safely be advanced. It might be possible to pay the producer $50 an ounce, while the government, having possession of all the gold, would be able to sell it at a much higher rate. In those days the argument was that the national debt could be paid off with the money the government received from the sale of gold over and above what it paid the producer, and the amount suggested at that time was $50 an ounce. It is too late to do anything of that kind now, but we may have to meet this problem again, so let us meet it after a thorough discussion of what is best in the interests of the whole country.

Mr. ABBOTT: I shall be very glad to read the debates to which my hon. friend refers. As he will recall very well, in 1932 or 1933, when gold was revalued, this continent and many parts of the world were in a period of acute deflation. Today that condition does not exist, at least as far as this continent is concerned.

While I am on my feet, I now have the figures concerning world gold production to which the hon. member for Calgary West made reference a few moments ago. In 1945 the world production of gold was about $945,000,000 and in 1946 it was about $963,000,000. The figure for 1947 is not yet known, but if one bears in mind the fact that in the first eleven months of 1947 the United States bought $2·7 billion worth of gold it will be appreciated that this was almost three times the new production of gold in each of the two preceding years.

Mr. MacNICOL: I have just one word further. The minister will find in the library, if he has not read it already, a book called "The Remedy," written by Peter L. Robertson and published in several languages, at a cost to himself of thousands of dollars, because he was a patriot. That book goes into the whole problem of gold in exhaustive detail; and it was that book, published in German, French, English and one other language that really brought about the revaluation of gold.

Mr. ABBOTT: I promise my hon. friend I will read the book with interest, though I will not promise to read it in all four languages.

Section as amended agreed to.

On section 7—Offences.

Mr. SKEY: I take it that under this section the minister would not claim, or have his officers claim, that just because a man is a director of a company, though he may know nothing about what may have occurred, he is actually to be held guilty of an offence.

Mr. ABBOTT: If my hon. friend will look at the section he will see that it states:

. . . any officer, director or agent thereof who directed, authorized, assented to or acquiesced or participated in the commission of the offence . . .

It is restricted to direct participation.

Section agreed to.

Sections 8 and 9 agreed to.

On section 10—Coming into force.

Mr. SKEY: Does the minister intend to have the act proclaimed immediately?

Mr. ABBOTT: Our intention would be to proclaim it as soon as we can have the regulations drafted and approved, as I mentioned a moment ago. I should hope that would be done very shortly. However, the committee will notice that under the act provision can be made in the regulations for advances on the payments, which might be made quarterly; and I should anticipate we would get it in operation very quickly.

Section agreed to.

Title agreed to.

Bill reported.

INDUSTRIAL RELATIONS

INVESTIGATION, CONCILIATION AND SETTLEMENT OF INDUSTRIAL DISPUTES

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill respecting industrial relations and investigation of industrial disputes and to make provision therein for the payment out of the consolidated revenue fund of the remuneration and expenses of the members of the boards and commissions and the officers, clerks and employees appointed or engaged by or under the authority of the act.

He said: Mr. Speaker, the bill in question is intended to replace the Industrial Disputes Investigation Act and follow the wartime order in council, P.C. 1003 of February 17, 1944. The provisions of the bill are almost identical with those of Bill No. 338 which was introduced during the latter part of the session of 1947 and referred to the standing committee on industrial relations after second reading. There are a few minor changes, but nothing of a substantial nature. In order to save time, I would refer hon. members to the statement I made on Bill No. 338 on June 7, 1947, commencing at page 4231 of *Hansard*.

As I stated in the house at that time, and I have not changed my mind in the meantime, the legislation provides what I consider are the appropriate procedures and conciliation machinery to deal with industrial disputes affecting undertakings over which this parliament has jurisdiction. The essential purpose of the legislation is to create conditions favourable to the free exercise of collective bargaining between employers and employees. For that reason only such regulation of employer and employee activities in their industrial relationship as is considered necessary for the protection of the public interest is incorporated in the legislation. The main responsibility is left with labour and management for the settlement between them of their problems, the negotiation of collective agreements and the administration of such agreements.

The bill will seek to establish an orderly procedure to be observed in the solution and settlement of industrial disputes and it will make available conciliation services to the parties to such disputes. As I stated just now, Bill No. 338 of last session was referred to the industrial relations committee of this house after second reading. That committee held a number of sittings and heard representations from employer and labour organizations and other groups, but it was unable to complete its work on the bill before the prorogation of parliament early in July.

I would point out that the representatives of three out of four of the major labour organizations in Canada who appeared before the committee endorsed the provisions of the bill. I believe I am on sound ground when I say that the employer organizations whose representatives appeared before the committee were reasonably satisfied with the provisions of the bill, although they submitted a number of additional provisions for the consideration of the committee for incorporation in the legislation.

Employer and employee representatives have placed great emphasis on the importance of having uniform legislation in effect in labour

relations in industry. I think this is sound and reasonable and sensible. Where you have a uniformity of practice and approach to the solution of labour disputes the trouble is kept, in a comparative sense, at the minimum.

In preparation of Bill No. 338 and in the revisions thereof which are embodied in the legislation which I now propose to introduce, there has been consultation with the provincial authorities with a view to presenting legislation which will be adequate, not only in our own sphere of jurisdiction, but appropriate and acceptable as a basis for provincial legislation. Assuming that the legislation which I am going to introduce is enacted by parliament without any substantial changes, there is, I believe, every indication that the legislation will also be acceptable to a considerable number of the provinces.

Nova Scotia passed a new trade union act in the spring of 1947, which was almost identical in its provisions with Bill No. 338 of last session and with the legislation now being brought down. The Manitoba government has within the last few days brought down before the legislature a new labour relations act, the provisions of which are almost identical with the bill I am now introducing. The minister of labour of Ontario announced in February of this year that, following a study of the proposed dominion legislation, the Ontario government, in the interests of uniform and simplified labour laws, had decided to adopt the proposed dominion legislation. I understand that the province of New Brunswick is studying the dominion legislation before bringing down its own labour legislation. The British Columbia legislation is largely the same as ours with some slight differences. I think it can be fairly said that fundamentally the legislation in existence in Alberta at the moment follows along the same line.

I think it is clearly understood by members of the house that in drafting legislation in the various provinces and the dominion there is bound to be a difference in the language used. In Quebec they always speak of arbitration in referring to what we call conciliation. It is natural that in the provinces of Canada, and I am now speaking of the industrial provinces, there is bound to be some differences in minor matters.

Mr. SMITH (Calgary West): Not Prince Edward Island.

Mr. MITCHELL: I said I was referring to the industrial provinces. As the hon. member for Calgary West understands, there is bound to be some difference in the language used when lawyers in different parts of Canada go to work on the same subject, and I do not say that in any spirit of criticism.

Mr. SMITH (Calgary West): I regard it as a compliment.

Mr. MITCHELL: It is a compliment, and I think that is just as it should be. I do not think the Creator ever intended that we should all be cast in the same mould.

An hon. MEMBER: Amen.

Mr. MacNICOL: Get that down, too.

Mr. MITCHELL: I am looking at my hon. friend. I am a great believer in diversification; I am not one of those who believe in centralization. We have only to cast our mind's eye over the world at the moment to see the power for destruction that exists in nations where you have a highly centralized form of government.

Some hon. MEMBERS: Hear, hear.

Mr. MITCHELL: I am glad to hear my Conservative friends and my good socialist friends applaud that sentiment. That is elementary and fundamental. When you look back to the Industrial Disputes Investigation Act of 1907 you will see that there has been an evolutionary approach to what I believe are sensible and stable labour relations in the dominion, labour relations of the kind and character which, to my way of thinking, compare favourably with those of any country in the world where free institutions exist.

I believe that when you swing too far to the left at one time you are bound to swing to the right the next time. I am one of those who believe that the life of a nation or of civilization moves very much like a pendulum of a clock, swinging backwards and forwards; and to maintain stable labour relations it is far better to go down the middle of the road and to be as fair as is humanly possible both to employer and employee organizations.

My hon. friend the member for Winnipeg North Centre (Mr. Knowles) is smiling, but he knows what happened in the country to the south of us when the Wagner Act was put on their statute books. Some people thought that it swung too far to the left. They now have the Taft-Hartley law which, in the opinion of some people, is causing a great deal of industrial strife in the United States at the present time. In Australia, where they have a labour government in Queensland, legislation has been passed that swings considerably more to the right than any legislation that exists in the country to the south of us. I do not mention this by way of criticism at all of the people who are charged with responsibility for

the administration of affairs in those two parts of the world, because from the very nature of things their legislation must reflect the dominant opinion of the people who sent them to their respective legislatures. Legislators in the United States, Canada and Great Britain, and in New Zealand and Australia naturally all want to be re-elected, so they keep their ear to the ground. The Taft-Hartley law must have been put on the statute book in the United States because conditions existed in that country which the people felt it was necessary to correct, and in Australia somewhat similar conditions must have existed. We too have had our trials and tribulations. That is inevitable when you get two points of view around a council table. If it were not for these honest differences of opinion there would be no employer organizations and no trade unions, and that would be a paradise from the point of view of some people. This House of Commons exists as a deliberative assembly simply because there are different points of view in this country, and I hope I shall never live to see the day when some people, perhaps innocently, would like to see persecution substituted for reason in the affairs of this country. Let us be honest and frank and sensible about the matter.

I leave this thought with the house. There is developing in the world today the strike expressly for political purposes. I am not speaking altogether about the Dominion of Canada, but undoubtedly trade unions are being used as an instrument for the destruction of institutions similar to those under which we live. But if we in this dominion travel down the middle of the road, take the moderate course in the establishment and maintenance of labour relations, we shall be making a great contribution to the life of our time. I was taught that you should never pass a law if you cannot enforce it, and we have seen the truth of that in labour relations not only in this country but in other parts of the world. Fundamentally labour relations are based on character, character on the part of the employer organizations and character on the part of the employee organizations. Not all the angels are on the one side. Each has its fair share. I was in the labour movement and I know that we had our fair share of both kinds of human beings. I believe, however, that if we maintain the course on which we have set out we can continue to enjoy comparative industrial harmony in this country. Look the world over and compare conditions with what we have in Canada today. In this country we have only one strike now in progress, and that involves comparatively few people. What other country in the world can say that? It is in my judgment a reflection of the common sense exemplified by both parties in the industrial and trade union life of this country.

I hope that this bill will move with expedition to the industrial relations committee, as suggested by the hon. member for Waterloo South (Mr. Homuth).

Mr. A. L. SMITH (Calgary West): Mr. Speaker, we on this side are in favour of the resolution, treating it as a matter of principle. What we shall say when we see the bill, I do not know. We are told that there are some amendments—we do not know what they are—of the bill that we had last year. But I think I might in a sentence or two affirm two or three principles on the highlights of labour relations in which I believe very firmly, and in large measure I shall speak in agreement with the Minister of Labour (Mr. Mitchell).

Across the world I think that in some places mistakes are being made by having too much legislation on labour and industry matters rather than too little. Let me put it in another way. We believe here in collective bargaining. We believe in collective bargaining between industry and strong unions. To say anything else would be a negation of the word "bargaining", because there can be no bargaining in the proper sense of that word if all the strength be on one side of the table. So again I repeat that our principle is that of collective bargaining, but with strong unions. Therefore, Mr. Speaker, I must immediately say that I deprecate—I do not know how strongly I can put it—something that has taken place in the province of Prince Edward Island recently where the most backward and reactionary legislation was passed. Talk about the Taft-Hartley act; it is not even to be compared with what they have done in that island on the east coast.

I turn from that to examine briefly one or two principles, because I am anxious to affirm where we stand. There is a word used in labour relations called the "check-off". I want to say that we are strongly in favour of the check-off, and that if it cannot be arranged by collective bargaining I go so far as to say that it should be done by legislation.

The reason the word "check-off"—and it is still criticized and opposed by some very reactionary industrialists, although not many—is disliked by some of our people is the sound of it. It is a harsh-sounding word. It sounds almost Russian. In these days things Russian are not very popular in this country; but to my mind it is just as simple

as this. We will say, Mr. Speaker, that I owed you $10 and that you owed the Minister of Labour $10. Then, sir, we will say that you assigned the $10 that I owed you to the minister. In every province of Canada the minister could sue me directly for the money. It is true that perhaps you would need a written notice to sue me, but it could be done. Therefore the employee in an industrial concern is doing nothing more than assigning a portion of his wages to a third party, that party being a union. All this fuss about the opposition to the check-off is, to me, one of the least justified arguments that I know of, because the labour man can do it, anyway, in my opinion, and he can also enforce it. Of course I am referring to the voluntary revocable check-off.

Let me go a step farther. In this case I am going to discuss two or three other things which are agitating people today. One is union security. You cannot just discuss union security; there are so many kinds of it. We have one or two words naming something, and we might be talking about different things and taking our meanings from these words. I am going to say something about strikes. I hope that this parliament will never take from labour its right to strike, but I add this, that some strikes are legal and some are illegal. Never shall we take from any labour organization which is operating under rules—and they are comparatively simple—and has put itself legally in a position of a right to strike, its right to strike; but I think we should, and I hope we shall by legislation outlaw illegal strikes, because we are a country of law-abiding people and we have lived by and have been guided by law.

I want to say another word, and that will be all on this occasion. I refer now to the sympathetic strike. I hope that this parliament and every legislature in Canada will do everything within their powers to outlaw the sympathetic strike. Why? I say that for this reason. You cannot say today that you are in favour of collective bargaining logically and at the same time say that you are in favour of a sympathetic strike. Why? In the sympathetic strike there is no problem between employer and employee. They have no quarrel with one another. Therefore the sympathetic strike becomes what? Not a strike against an employer, but of necessity a strike against the public of Canada, and I hope I will never admit the right of any union the right to do that.

One word more. May I agree with the minister that in other places—and they are not very far away—they have gone too far in trying to legislate certain things. I am not going to discuss them in detail. Perhaps it would not even be in good taste to do so. I have tried to enumerate two or three principles which I trust will be carried out in this bill which we have not yet seen, and we will reserve our right to discuss the bill more in detail on second reading.

[Mr. Smith (Calgary West).]

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I thought that perhaps the resolution would pass without discussion, and I did not come prepared to discuss the measure at this stage. I should like, however, to draw the attention of the house to the fact that labour legislation is a live issue today in this country and in the neighbouring country to the south. Generally the tendency in current labour legislation is toward restrictions on organized labour. That is significant, because until recently there has been very little labour legislation in Canada. As I see it, the reason for that was that labour was weak and the employers were strong, and those who were making the laws were not legislating in the interests of labour. That is the situation, and anyone who cares may look up the facts and verify them for himself.

I have been a trade unionist now for almost thirty-eight years. During the whole of that period I have been a member of an organization which had what we called a closed shop. We did not have the check-off as I very well know. Since I was the only paid official of my trade union for some time, I had to go around and see that the members paid their dues. However, if they did not pay their dues we had recourse to the closed shop clause to see that they did. Personally I am in favour of a closed shop or a union shop, whichever term you wish to use, because I do not consider that any employee has any right to wages and conditions which he will not help to maintain. That is not only a policy or the principle that we accept in the trade union movement; it is the principle that we accept in our national and municipal affairs. One may be opposed to paying taxes, but the state says you will pay the taxes whether you are opposed to it or not. Trade union dues are merely a tax that the trade unionist or the employee pays to his trade union for the protection the trade union gives him in maintaining better wages and better working conditions. I could give a striking example of what an employer whom I know thought about the matter and what he thought of the employee who would not pay his union dues.

In regard to this proposed legislation, I am receiving, as I suppose other members of parliament are receiving from chambers of commerce

and other employer organizations, resolutions which, if heed were given them, would make of this government, as far at least as organized labour is concerned, a policeman.

One of their proposals is that strike votes must be supervised by the government. Surely trade unionists, members of organized labour, citizens of Canada, should be allowed to decide their own affairs without any supervision from the government, any more than a private corporation should have the votes of its shareholders supervised by the government. As far as I am concerned, I shall oppose any government supervision of strike votes, or any other kind of votes, so long as the unions themselves can demonstrate that they have control of their union affairs.

There are other questions to which I would like to refer, but I do not think we should have two debates, particularly when the question is to go to the industrial relations committee, where there will be an opportunity to discuss it in detail. However, as regards employers in this country who have opposed labour's every attempt to organize, and anyone who questions that, I would ask him to read the majority report in the labour inquiry of 1943, under the chairmanship of Mr. Justice McTague, the other member of the commission being, I believe, the late Senator Bench.

Mr. MITCHELL: There was another member too.

Mr. MacINNIS: Let hon. members read what that commission said in regard to employers in this country and their attitude toward organized labour. Indeed, the situation until recently has been that only tough men at the head of labour organizations could get recognition at all for their organizations. If there are conditions in organized labour that we do not like, the blame rests with those who would not deal fairly with moderate people in the organized labour movement.

I would suggest to such people that if they expect co-operation they will have to treat those with whom they would co-operate in such a way as to gain their respect.

I shall reserve any further comment until the second reading of the bill, or perhaps until it comes before the industrial relations committee.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, the Minister of Labour is merely introducing a resolution to enable him to bring down a bill which has for its purpose the establishing of a national labour code, and I am quite satisfied with that. I will not argue the merits or the demerits of the bill because I have not seen it. I am a member of the industrial relations committee and I shall examine the bill when it comes before the committee in the light of the proposals that have already been made by the Canadian Congress of Labour.

In my opinion, the Canadian Congress of Labour is a responsible body and it is the legislative centre of the industrial workers of Canada. They have drafted what in their opinion is an adequate measure designed to bring about what the purpose of the present resolution has in view, a national labour code. I do not know what the minister's bill is, but I hope that he and his department have given some study to the proposals made by the Canadian Congress of Labour, because I have read them carefully and I agree with them 100 per cent.

I hope we shall not repeat the performance of last year when we considered Bill No. 338. We sat in the committee a long time and wrangled over it, and I hope the legal minds in the Department of Labour have clarified one point, namely whether we have the right as a parliament to enact a national labour code under the present British North America Act. I hope the minister will be able to tell the committee when it meets whether we can do that, because there is one thing of which I am convinced and of which I think the minister by this time should be convinced, namely, that a national labour code which would embrace the basic industries of the country is absolutely necessary. That was proved to him in the packinghouse workers strike, which occurred in an industry which is established in every province.

You find yourself with a strike on your hands, with meat tied up right across Canada, and you find the federal government powerless to intervene in that strike. You find yourself in the position where the provinces could not get together and come to any sort of uniform understanding.

If a national code is to be effective, then the packinghouse industry should be designated as a national industry and brought under the code, and so should steel. Steel is basic to the economy of the country because it ramifies into every province, and unless these national basic industries are brought under the code it leaves the federal government in the position where, if a general strike takes place in any of these industries, all that the national government can do is to sit back and watch nine little Canadas all jealous of their own prerogatives, refusing to get together, unable to do anything about the matter as a national question, the country being paralysed because there is no legisla-

tion to handle the matter. Coal was in that position until the establishment of the national coal board. I believe that under that particular board the federal government has some jurisdiction in the fuel industry.

In the final analysis, labour relations are human relations and there will be difficulties because all legislation cannot be hard and fast. There must be some administrative latitude, some give and take. I have some definite opinions on some of the matters touched upon tonight, and I would be wasting my time and the time of the house if I went into them, because the place where that can properly be done is when the bill is brought down and I have been able to examine it and to discuss it clause by clause with a view to developing the proper mechanics.

One thing I would ask the minister to do when the committee sits is to answer the question whether we have jurisdiction under the British North America Act to enact a national labour code, and, second, whether we are prepared to designate basic national industries running from coast to coast as national industries that can be brought under the code, so that the minister may not be faced with a crisis some time in the future where there is a general strike in one of the industries and he is powerless to do anything about it.

Mr. E. G. HANSELL (Macleod): I do not intend to take much time at this late hour, Mr. Speaker. After all, we are merely in the resolution stage of this bill. However, I feel that I should like to pay some little tribute to the work of the Minister of Labour (Mr. Mitchell). I believe that he is honestly trying to do a good job, under the circumstances, for the labouring men. Of course I know that in the past there has been some criticism of his administration by labour unions and certain labour men. I do not suppose that he or his department is perfect, because no human being is perfect. I am inclined to think that, if there has been any criticism, it has perhaps sprung from the extreme agitator who has been the chief offender in this respect and perhaps he could not be satisfied anyway.

As the hon. member for Cape Breton South (Mr. Gillis) has said, the bill is not before us and we cannot therefore prejudge the entire nature of the bill. But I am sure that we favour any labour legislation which will help to bring labour and management together on a friendly basis, where labour will have confidence that management is interested in it and where management will have confidence that labour is interested in industry. That has not always been the case, but I believe it could be. I recall being invited to a meeting on one occasion where labour and management were both to be present. I walked into the meeting and discovered that the workers were in one room while the management was in another room. I felt that they were not getting together at all. Prior to the meeting, I felt that both of them were going into this meeting perhaps with a chip on their shoulders; and, as far as I could see, the type of the meeting did not call for any chips at all. When they got together, someone came out and said, "All right, boys; we are ready to start." When they got together labour was on one side of the room and management was on the other side, looking at one another. I was asked to say a few words, and I spoke my mind. I said, "Why do you gentlemen not mix up a little bit? Why do you men over here not sit with your bosses and why do you bosses not sit over here with your men?" They sort of laughed a little bit, and I think I helped in relieving the tension. I do not believe that sort of thing is necessary. I believe that we can have some type of legislation which will break down that difference between the two.

I recall going into another factory, a small one, where the manager took me around and introduced me to some of his employees and some of his foremen. Then he left me saying, "You talk with these men." I talked with them and found that there was a friendly relationship between the management of the factory and the employees. I found that they had had little trouble in the past having regard to their relationship one with another. I often think that if I were an industrialist—and I know that I shall never be one—I would do my best to make my employees contented. Perhaps I might get a lust for that extra million; I do not know. But I feel that if I were an industrialist, after taking a fair profit and allowing for some little expansion here and there, I would call my employees together and divide my profits with them. That is the way I feel about the matter. I believe that management can do a good deal with respect to bringing about a better relationship between labour and management.

I agree with the hon. member for Calgary West (Mr. Smith) when he said that he hoped that no legislation would ever be brought down that would take away the right of labour to strike. I agree with that, because, after all, under the most extenuating circumstances, sometimes that is the only weapon labour has left in its hands to use. I believe there is something more fundamental than that, however—perhaps this is not altogether the responsibility of the Department of Labour; I think it is a joint responsibility of the entire

government—and that is to bring about conditions in the country which will give no cause for the necessity of strikes. Perhaps some will think that in that statement I am looking forward to the millennium. It might be a good thing if we could try to do so. But in a country of this kind with such vast natural potential wealth, I believe that conditions can be such that we shall have a satisfied management and contented labour. I believe that can be done, and anything that will help to bring about that situation or help to bring management and labour together so that the welfare of one is recognized to be the welfare of the other, is something that I am sure we are all in favour of.

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

Resolution reported, read the second time and concurred in.

Mr. MITCHELL thereupon moved for leave to introduce Bill No. 195, to provide for the investigation, conciliation and settlement of industrial disputes.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read a second time?

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Next sitting.

Mr. MacNICOL: Was it not the intention of the minister to have the bill sent to the industrial relations committee?

Mr. MITCHELL: I am, of course, in the hands of the house. The bill cannot be given second reading tonight without unanimous consent.

Mr. MacINNIS: I think we should see the bill before it gets second reading.

Mr. SPEAKER: Next sitting of the house.

WAR VETERANS ALLOWANCES

PROVISION FOR NEGLECTED OR DEPENDENT CHILDREN, INCREASED PERMISSIBLE INCOMES, ETC.

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the War Veterans Allowance Act to extend the provisions thereof to a neglected child or children of a deceased veteran and to a veteran with a dependent child or children in special circumstances; to allow for increased permissible incomes and to provide supplementary allowances. Provision is also made to increase the annual salary for members of the war veterans' allowance board.

Mr. KNOWLES: Is the minister not going to make a statement at this stage?

Mr. GREGG: I am prepared to make a statement, but there will be plenty of opportunity on second reading, in the committee on veterans affairs and in committee of the whole. If the house sees fit to adopt this resolution tonight and move the legislation forward I can assure my hon. friend that all the material will be made available as the legislation goes through the various stages.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? Carried.

Mr. WHITE (Hastings-Peterborough): Before the resolution carries, I would ask the minister if he would not make at least some statement now. We have seen what happened in connection with the bill to amend the Pension Act, and the government cannot bring forward any excuse for rush now. I for one would ask the minister to make a statement. If he is not prepared to do so I would ask you, Mr. Speaker, to call it eleven o'clock, because I should like to speak on the resolution.

Mr. GREGG: I am prepared to make a statement, but time does not permit this evening. As the hon. member will understand, this resolution does not give hon. members the details of the bill. If the resolution passes and the bill is given first reading copies of the bill will be made available, and perhaps then it will be more appropriate to make fuller explanation.

Mr. CASE: Mr. Speaker—

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? Carried.

Mr. CASE: Mr. Speaker—

Mr. SPEAKER: I have put the motion and declared it carried twice.

Mr. CASE: I was on my feet when you put the motion, Mr. Speaker.

Mr. SPEAKER: It is not enough for the hon. member to be on his feet; he must attract the attention of the Speaker. I put the question to the house and asked if it was the pleasure of the house to adopt the motion. No one objected, so I called it carried, and I suggest that the hon. member resume his seat.

Mr. CASE: I rose to say—

Some hon. MEMBERS: Carried.

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

Mr. CASE: Having lost the opportunity to have the minister make a statement while the Speaker was in the chair I now request him to make a statement on the resolution. Before the bill is introduced I should like to know what is the objective of the government, and then we can look at the bill later on.

Mr. GREGG: The resolution precedes the introduction of a bill to amend the War Veterans Allowance Act, with which I think all hon. members are quite familiar. In the main it is the purpose of the bill to improve the amounts payable to the beneficiaries under that legislation. Hon. members will realize that practically all those beneficiaries are veterans of world war I. In recent years my department and this house have quite properly given a great deal of attention by way of legislation to the new veterans of world war II. The old veteran has not been forgotten with respect to pensions and other matters, but there is a desire here to improve the condition of those who are, in the main, unemployable.

Since this legislation was first introduced in 1930 its objective has been to give the federal authority the right to provide assistance to those veterans who fought in the first war, and who are to some extent unemployable. In the main this bill is designed to increase the amounts payable to them, and to deal with other subsidiary matters indicated in the resolution.

Resolution reported, read the second time and concurred in.

Mr. GREGG thereupon moved for leave to introduce Bill No. 196, to amend the War Veterans Allowance Act, 1946.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: Tomorrow we would like to proceed with the third reading of Bill No. 7, to provide assistance to the gold mining industry, which was given second reading today; then with the second reading of the bill concerning industrial relations, which has just been read the first time; with the second reading of the bill to amend the War Veterans Allowance Act, which has just been read the first time, and then with the resolution on the order paper to establish a joint committee of both houses of parliament on human rights. In order to meet the desire expressed that the house have a day fixed for a debate on external affairs, we would like to go into committee of supply and call the Department of External Affairs and perhaps one other department. Then we would ask that the items stand, and fix an item in external affairs for consideration by the house on Monday.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, April 7, 1948

The house met at three o'clock.

PRIVILEGE

MR. MCIVOR—REFERENCE TO ATTENDANCE IN GALLERIES BEFORE PRAYERS

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, on a question of privilege, when I saw part of the press gallery and some of the seats in the members' gallery occupied before prayers, I was going to congratulate you on your progress, as their attendance is in keeping with the prayer we pray every day, that whosoever will may come. I think the press gallery and the general public will enjoy the prayers some day in the future.

FREIGHT RATES

INCREASES ORDERED BY TRANSPORT BOARD—PROPOSED INVESTIGATION OF RATE STRUCTURE OF RAILWAYS UNDER JURISDICTION OF PARLIAMENT

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, the Board of Transport Commissioners for Canada, by order No. 70425 of March 30, 1948, authorized the member railway companies of the Railway Association of Canada to make a general advance in freight rates of 21 per cent with certain exceptions, and on coal and coke a flat increase of 25 cents per ton.

The railway companies were authorized to publish and file tariff schedules, in accordance with the board's findings, on not less than three days' notice.

The board's authorization for increased rates does not include the following:—

1. Rates on grain and grain products from all points on all lines of railway west of Fort William to Fort William, Port Arthur and Armstrong.

2. Rates on grain and grain products from all prairie points on all lines of railway to Vancouver, Prince Rupert and other British Columbia coast ports for export.

3. Rates on grain and grain products for domestic consumption between points in western Canada and rates on feed grain published in C.F.A. tariff C.T.C. 154.

4. Joint international rates between Canada and the United States of America (except coal and coke, board order No. 70462) which were increased as a result of decisions of the interstate commerce commission in ex parte 148, 162 and 166.

5. Rates between United States points on traffic passing through Canada.

6. Export and import rates to and from Canadian ports, which are at present on a parity with rates to or from United States ports.

7. Agreed charges.

8. Demurrage and penalty charges.

9. Interswitching rates covered by the board's general order No. 252, dated October 26, 1918.

The government has reviewed the petition from the transportation commission of the maritime board of trade, representing *inter alia* the governments of the provinces of Nova Scotia, New Brunswick and Prince Edward Island and representations made on behalf of the governments of the provinces of Manitoba, Saskatchewan, Alberta and British Columbia and other interested persons and organizations, to vary order No. 70425 of the board of transport commissioners by providing that tariff schedules published and filed under the provisions of this order be not effective until at least thirty days from the date thereof.

After careful consideration of these representations, and, without prejudice to any appeal, the government has decided that it should not interfere with the effective date of the board's order.

The government has taken into consideration the fact that no general investigation of freight rates has been made in Canada since that conducted in 1925 by the board of railway commissioners. In the circumstances, the government has decided it would be in the public interest to have the board of transport commissioners make a thorough investigation of the rate structure of railways and railway companies which are under the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities so as to permit the freest possible exchange of commodities between the various provinces and territories of Canada and the extension of Canadian trade, both foreign and domestic, having due regard

to the needs of agriculture and other basic industries. This investigation will be subject, of course, to the statutory provisions affecting freight rates known as the Maritime Freight Rates Act and the Crowsnest Pass agreement.

I now table orders in council P.C. 1486 and P.C. 1487 of today's date, giving effect to the decisions of the government.

Mr. REID: I should like to ask the minister a question on the statement he has just made. In view of the fact that instructions, almost identical with those previously given, have been given by the government to the board of transport commissioners to investigate freight rates, will the minister review the instructions given to see that the board has power to remove the mountain differential in British Columbia? I ask this question because I think these are the very words in the instructions given by governments in the past, and the board of transport commissioners has said that it has no power to equalize rates.

Mr. CHEVRIER: That is the object of this investigation.

Mr. CRUICKSHANK: And nothing will come of it.

Mr. CHEVRIER: The object of the investigation is to make a thorough study of the inequalities which may exist in the various regions across Canada.

Mr. COLDWELL: May I ask the minister a supplementary question? In the meantime I suppose the rates go into effect?

Mr. CHEVRIER: Yes.

Mr. COLDWELL: And the investigation may take as long as the investigation of last year. The rate structure of the railways is a complicated affair and the investigation may take a year or two.

Mr. CRUICKSHANK: Ten years.

Mr. COLDWELL: In the meantime the people of Canada are to be penalized by these excessive rates.

Mr. CHEVRIER: I cannot tell the hon. gentleman how long the investigation will take. It may take a year, or it may take two years. That will depend upon the dispatch with which the board can get across the country.

Mr. BLACK (Cumberland): Have the findings of the board of transport commissioners been printed? If so, will copies be placed in the hands of hon. members? I myself have not yet received a copy.

[Mr. Chevrier.]

Mr. CHEVRIER: The judgment consists of some 162 pages—

Mr. BLACK (Cumberland): It is important enough to have printed and placed in our hands, Mr. Speaker.

Mr. CHEVRIER: The hon. gentleman did not give me time to complete my reply. If he had he would have learned that I was about to say that the order is a simple matter to get out; the judgment consists of some 160 pages or more, which cannot be put out overnight, but if it is the wish of the house I shall see to it that hon. members get copies of it.

Mr. ABBOTT: It was distributed.

Mr. CRUICKSHANK: In view of the decision will the ceiling be taken off farm prices so that western Canada will not be further penalized? I am asking for an answer.

Mr. HOMUTH: Why don't you move over to this side of the house?

Mr. KNOWLES: Where do you stand?

Mr. CRUICKSHANK: Because I am too useful a member to sit over in that corner. If the minister cannot answer my question, what member of the government can?

Mr. SPEAKER: Order. Hon. members will realize that there is nothing before the house and therefore no debate can take place. If hon. members have some additional questions to ask I would suggest that they wait until the orders of the day are called.

Mr. BLACK (Cumberland): Mr. Speaker, the minister said that the report of the board of transport commissioners would be printed if hon. members wanted it. It is my wish that it be printed, and I think it is the wish of all hon. members.

Mr. SPEAKER: Order. I have just suggested to hon. members that if they have more questions to put to the minister they had better wait until the orders of the day are called.

Mr. GRAYDON: Mr. Speaker, on a point of order, it has long been the wish of hon. members on this side of the house that latitude commensurate with the latitude which is given and often taken by the ministry in making long statements, which of course are not debatable, should be given to hon. members on this side. If we wait until we reach another part of the proceedings other matters sometimes intervene and the whole trend and thread of the discussion is lost. I think Your

Honour would be quite right in allowing the same latitude that is given to the government and I hope you will continue to do so.

[*Later:*]

On the orders of the day:

Mr. JAENICKE: Mr. Speaker, I should like to ask a question of the Minister of Transport. Will the minister consider the appointment of a royal commission or some tribunal other than the board of transport commissioners for the investigation of the Canadian freight rates structure which he announced this afternoon?

Some hon. MEMBERS: No.

Mr. HOMUTH: What nonsense!

Mr. CHEVRIER: If my hon. friend will look at the Railway Act I believe he will find in a pertinent section of that act that freight rates are regulated by the board and that in order to set up a royal commission parliament would have to amend that act. So the answer is no.

Mr. REID: I wish to direct a question to the Minister of Transport in the light of the announcement he has made today. Can he give the house any assurance that the instructions to the board to investigate freight rates with a view to establishing a structure that will be just and reasonable will enable the board to remove the mountain differential if evidence is given showing that it should be removed?

Mr. CHEVRIER: The only answer I can give to my hon. friend is that under the terms of reference as set out in the order in council and the powers which the board already have under the act to equalize rates, if in their investigation the board find that there should be an equalization I take it that they will so order.

Mr. DIEFENBAKER: I would like to direct a question to the Minister of Transport in connection with his announcement that the government does not intend to postpone or interfere in any way with the increase in freight rates ordered by the board. Were representations made by several of the provinces to the government asking the government to intervene? If so, what provinces, and will he lay on the table the representations made by the several provinces?

Mr. CHEVRIER: If the hon. gentleman had listened to the statement which was made—

Mr. DIEFENBAKER: I listened.

Mr. CHEVRIER: —he would have noticed that representations were made by each of the provinces. If the hon. gentleman wants the representations, which were very short, laid on the table I have no objection.

Mr. CRUICKSHANK: I should like to ask a supplementary question. Did Ontario and Quebec make any representations?

Mr. HOMUTH: Why do you worry about those provinces?

Mr. CHEVRIER: I am not aware of any.

HOCKEY

WELCOME TO R.C.A.F. FLYERS, WINNERS OF OLYMPIC CHAMPIONSHIP, ON THEIR RETURN

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, may I turn now to a subject on which, unlike the last, I believe there will be complete unanimity in all parts of the house? All hon. members will, I am sure, join me in extending a hearty welcome to the R.C.A.F. flyers on their return home after winning the Olympic championship at hockey. It is often forgotten that Canada did not win at hockey at the last winter games played in 1936. Now the Royal Canadian Air Force team has re-established Canada's proper supremacy in her native sport.

In addition to winning the championship in Switzerland without losing a game, the hockey team, at the invitation of other countries, visited France, Belgium, The Netherlands, Sweden and Czechoslovakia, as well as England and Scotland. They were good ambassadors.

Reports received from abroad show that everywhere, whether on the rink or off, they conducted themselves in the best traditions of Canadian sportsmanship and of the armed forces of Canada. They were a credit to themselves, to their service and to their country.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT ORDERS

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs, for the Prime Minister) moved:

That, notwithstanding any other order passed by the house in relation thereto, on and after Wednesday, the 7th of April and every day thereafter until otherwise ordered during the present session, government notices of motions and government orders shall have precedence over all other business except the introduction of bills, questions by members and notices of motions for the production of papers, and from 8 to 9 p.m. on Fridays, private bills.

Mr. GORDON GRAYDON (Peel): I desire to say a word on this motion of the Prime Minister which has been moved by the Secretary of State for External Affairs. It is

generally understood, and I think generally accepted in all corners of the house, that normally and naturally a certain right of way should be given to the government in connection with urgent business which it desires to bring before parliament. On that point therefore no grave exception will be taken to the general principle. On the other hand, the situation here is quite different, because the government, I submit, should not take the attitude of hogging procedure, if I may use that expression, with respect to the introduction and discussion of legislation at the expense of private members on all sides of the house. There must be some give and take on both sides. I would not want to see the order paper cluttered up with private members' resolutions at various stages of the session at the expense of urgent government legislation which all of us wish to have passed. Surely, however, there is some happy medium which parliament might adopt. I must confess that I cannot see how the government at this stage of the session can possibly ask parliament to pass a resolution in the precise terms of the motion now before us.

There are thirty-five private members' notices of motions on the order paper. Many of these are of very great importance. In addition there are public bills awaiting consideration. I think the government is asking too much of parliament when it seeks to have this resolution carried in a form which private members on all sides of the house find it impossible to accept.

I wish to make it perfectly clear that any move we make with reference to this resolution is not for the purpose of delaying government business, because we are not asking for very much in what we now seek. I hear an interruption. You people over there would have us get nothing, I suppose, but thank goodness there are members here who want us to get a fair deal.

Mr. MacKINNON: The interruption came from that side.

Mr. GRAYDON: I do not care where it came from. You people will have to take the same criticism because I will criticize fairly wherever criticism is called for.

My suggestion on behalf of the official opposition is this. We are prepared to allow the government to pass this resolution if they will reduce the period to two weeks, because it is not fair to ask parliament to give the government carte blanche, a blank cheque for the whole session, thereby denying private members the right to bring forward important matters from time to time.

[Mr. Graydon.]

If this motion is adopted it will be following a precedent which has been adhered to not only during the war but in sessions since the war. It is about time the government realized that they are not the only ones in the House of Commons who have been sent here by the people of the country.

I submit that the suggestion I offer is a fair and a just one, namely that we change the date mentioned in this resolution, April 7, to two weeks thereafter. Then, if government business demands a further extension, we shall be prepared to consider it, though I believe that by the time the two weeks have elapsed, enough of urgent government business ought to have been passed, so we should at least give private members something of a break. They are entitled to it, and I am speaking on their behalf at the moment. I ask the government to accept this proposal.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I agree with the criticism made this afternoon by the acting leader of the opposition (Mr. Graydon). I am not sure whether his suggestion to the government is of sufficient advantage or offers sufficient latitude to private members. As he pointed out, there are thirty-five private members' resolutions on the order paper, some of them relating to very important topics of great interest to the country at large. I agree with him that while we were willing to forgo many of the rights and privileges of private members during the war, because of the necessities of that period, we do not feel that we should forgo those rights and privileges now that the war is over.

As a matter of fact, all that this resolution proposed by the Prime Minister allots is the hour from 8 to 9 on Friday evenings, and for private bills only. May I point out that private bills are measures that are of interest to private individuals or to private corporations. They are bills which come before this house, moved by private members, asking for special privileges, often for an individual, as in the case of divorce, or for small groups, associations or corporations. On the other hand, there are a number of public bills on the order paper, and they have to do with matters which are of paramount interest to the public of Canada. True, they are sponsored by private members, but when we look at them we realize how important they are. One or two may be rather embarrassing to the government and may not meet with the approval of some members of the house, but whether they are embarrassing or not, whether we agree with them or not, they are of public importance and should be given precedence

over bills which relate merely to individuals or to private groups of people. I say whether we agree with them or not, and there are at least two of these bills with which I am in disagreement; nevertheless they are of sufficient importance to warrant their being discussed and decided by the house.

Let us look for a moment at these bills. There is an act to amend the criminal code, moved by the hon. member for Quebec-Montmorency (Mr. LaCroix). There is an act to amend the Dairy Industry Act, which is a measure dealing with the sale of oleomargarine,—

Mr. CRUICKSHANK: Shame.

Mr. COLDWELL: —something which is important to the country. Whether my hon. friend the member for Fraser Valley (Mr. Cruickshank) and I agree with it or not, it should be discussed and decided by the house.

Mr. CRUICKSHANK: Hear, hear.

Mr. COLDWELL: That is where it should be decided. Then there is an act to amend the Supreme Court Act, which deals with appeals to the privy council, and an act to amend the Railway Act, which deals with a very large group of pensioners of one of the railways.

These are public bills the subject matters of which are of widespread interest. Why should private bills be given preference over public bills of such importance?

I am going to move in amendment:

That all the words after the words "production of papers," in the sixth line of the motion, be deleted, and the following be substituted therefor:

"and from 8 to 9 p.m. on Tuesdays and Fridays, public and private bills, the former having precedence."

From 8 to 9 p.m. on Tuesdays and Fridays, restoring the two hours that are given to bills introduced into this house by private members, public bills having a preference over private bills—the opposite of the motion standing in the name of the Prime Minister and now before the house. I believe the house should support such an amendment.

May I say this before I take my seat. We are not asking for the restoration of all private members' days at this stage of the session, but we do think that the minimum we should ask for is what my amendment to the motion now proposes.

Mr. JAMES SINCLAIR (Vancouver North): I should like to say a few words on this subject, Mr. Speaker, speaking not as a nominal supporter of the government but as a private member and a backbencher.

We have heard from the leader of the government and leaders of the opposition groups. We as backbenchers may be comparatively insignificant and unimportant as individuals when compared with these leaders, but the rights we have as members of parliament are extremely important and significant, and they have never been more so than they are today. Chief amongst those is a fair allocation to private members of the time of parliament as set forth in standing order 15(3), which says that on Monday, Wednesday, and Thursday for the first four weeks of the session the business of private members shall have precedence over government business. That clearly shows that the intent of our constitution is not that this parliament should be the creature of the government, and not that the time of this parliament should be the monopoly of the government.

It is quiet true that in some countries—Russia for example—the government has the monopoly of government business, with no opposition. On the other extreme, in the United States, the executive branch of the government has no right to initiate legislation. All legislation is sponsored by private members, if they can be so called, members of congress or the senate. Here under the British system I think we have a middle course, very wisely, in that the government, being the responsible authority in the country, has certain rights in parliament. But so has every backbencher, no matter how distant or remote his riding may be. If we are limited to those subjects which the government cares to bring forward, then we are in this position: we can only support or oppose. Anything which the government does not want to bring before parliament, anything which it ignores, overlooks, or thinks to be unimportant, no matter what our constituents may think, we of course cannot discuss.

In wartime we gladly gave up certain rights we had as private members, but once the war was over we expected that they would be restored. I looked over the orders of the day for the third session after the last war, in 1921; it is three years now since the end of the second world war. In 1921 the speech from the throne was given the usual precedence over all other business and the debate ended on March 3. March 4 was private members' day. At 3.15 on March 4, without any question or hesitation, a private member from Edmonton started to discuss his resolution. That is the way things went during that session. I looked up the record after the second world war, and found it most interesting. In 1946 the

session began on March 15. On April 3, less than three weeks after the beginning of the session, we were embarked on private members' day, with resolutions and bills. There were five bills and six resolutions debated that session. Three of them came to a vote. In 1947 the session began on January 31. This time it was not until April 4, two months later, that private members had an opportunity to discuss public bills and resolutions. At that time seven bills and six resolutions were debated. Three were voted upon.

Now in 1948, when we are three years away from the war, after four months of sitting, a motion is proposed the effect of which is to cut off completely any hope of private members' bills or resolutions coming up for debate.

The government offers the argument—the Prime Minister offered it to me two years ago when I objected to being cut off when the resolution was reached at that time—that ample opportunity is afforded to private members to discuss whatever they wish on the speech from the throne, on the budget or on going into supply. Those opportunities are there, it is true. But what happens in those debates is that every member speaks on a different subject. We are like an army riding off in all directions. Our efforts are dissipated and the government carries on with its own program. If we had our private members' days on which to debate specific problems, then the attention of all members would be fixed on those problems, and bills and resolutions introduced by private members are voted upon. Then the government and the people of the country would know what parliament's feeling is on these matters.

The hon. member for Rosetown-Biggar (Mr. Coldwell) has mentioned the fact that these public bills—and naturally I am greatly interested in one of them, the oleomargarine bill—are not unimportant or trivial. Certainly the first bill, with regard to the outlawing of the communist party, is a subject of great concern across this country. It is quite true that we had a debate on it in parliament lasting one day and leading nowhere. In this country there are a great many people who think that the communist party should be outlawed. There are also a great many people who are not communists but who believe it should not be outlawed. All these people are looking to this parliament for specific direction on that matter—a direction which cannot be avoided by having a three-hour afternoon's blowoff on the subject of communism.

The next thing under public bills and orders is the bill in respect to oleomargarine. The members from Montreal and Quebec tell me

[Mr. Sinclair.]

that their mail today consists mostly of letters from people in the lower income groups, protesting first of all against the high price of butter, and secondly—

Mr. SPEAKER: Order. I do not think I can permit the hon. member to discuss public and private bills which are on the order paper. Discussion should be relevant to the motion before the house.

Mr. SINCLAIR: It is true that I am a backbencher and not a leader of an opposition group. But as the hon. member for Rosetown-Biggar has just finished discussing these bills in excellent style, I think I should have an opportunity of commenting in the same brief way.

Mr. SPEAKER: Order. I must say to the hon. gentleman that I am trying to treat all hon. members in the same way, whether they are backbenchers or not. I would ask the hon. member to resume his seat. I think it is my duty to call the attention of hon. members to the fact that I will not permit him to discuss oleomargarine or any private or public bills on the order paper. Discussion should be relevant to the motion which is before the house.

Mr. SINCLAIR: I will bow to your ruling, Mr. Speaker, and just conclude by saying that certainly in the estimation of the people of this country none of these four bills is trivial or unimportant. I agree with the leader of the opposition when he says that there is no doubt in the minds of the citizens of this country that these bills are infinitely more important than a divorce bill or a bill to increase the capital of some little insurance company. I cannot agree with the hon. member for Rosetown-Biggar, however, that simply devoting two hours a week, one on Tuesday and one on Friday evening to these public bills is sufficient, because in the case of Bill No. 4, for instance, which I cannot discuss, the hon. member for Fraser Valley (Mr. Cruickshank) is perfectly capable of talking it out in the time allotted.

Mr. CRUICKSHANK: And he intends to do so.

Mr. SINCLAIR: What we need is a chance to revert, as private members, to a full day's discussion in accordance with standing order 15(3) of measures of public importance which we as members of parliament have brought before parliament. I cannot vote for the amendment moved by the hon. member for Rosetown-Biggar, but I shall oppose the motion moved by the Acting Prime Minister.

Mr. E. D. FULTON (Kamloops): May I ask a question having to do with the amendment

just moved by the hon. member for Rosetown-Biggar? I observe that this motion makes no mention of notices of motion which may be moved by private members. I wonder whether I am right in my understanding that no time would be given to such notices of motion, or whether he or any member of his party would be willing to add that to the amendment which he has moved?

Mr. COLDWELL: May I just answer that question, Mr. Speaker? We should be quite willing to add that, but we thought we were asking for the minimum. May I just say to the hon. member for Vancouver North (Mr. Sinclair) that private and public bills may be discussed only on Tuesdays and Fridays, under the standing order.

Mr. JEAN LESAGE (Montmagny-L'Islet): May I as a backbencher say that I am in agreement generally with what the hon. member for Rosetown-Biggar (Mr. Coldwell) has said, and that I would be in favour of his amendment if it provided a means of giving justice to the people who have come here with private bills. If private bills could come before public bills, I would be in favour of his amendment.

Mr. T. L. CHURCH (Broadview): If this house adopts this motion, then any question of the supremacy of parliament can be forgotten for the present session. We passed a motion similar to this last December, under which parliament abdicated all its rights, functions and privileges to the executive, who have been ruling the country over the head of parliament since the day this house met in December. As I have said on other occasions, the freedom and liberty of the subject have been surrendered to outside boards and controls so that people are being fined and imprisoned against all the laws which should apply in this country.

Mr. SPEAKER: Order. I would ask hon. members to be silent, because it is very difficult to hear the hon. gentleman who has the floor. A great deal has been said about the privileges of backbenchers, but I believe freedom of speech should apply to the occupants of the front benches as well.

Mr. CHURCH: As I have said previously, Mr. Speaker, in difficult days such as these I do not object to giving the government of the day reasonable powers, but the private members of parliament are forgotten entirely. We are the forgotten link in parliamentary government in this country, and this applies to those on the government benches as well as those in all other parties in this house. When the private member ceases to function, all parliamentary government is at an end. What are we doing here? We are surrendering the control of expenditures to these outside bodies. I had a word to say about this when a previous motion was discussed, and I should like to quote two brief sentences from my remarks on another occasion:

> All kinds of bodies, over the head of parliament, are spending money like water. Every principle for which the British nation struggled in the old land since the seventeenth century has been surrendered to the political caucuses. Parliament itself, which came into being to ensure that taxes shall be voted only by those who have to pay them, has become the institution through which those who do not pay them impose them on others.

And there is another sentence:

> . . . powers of legislation older even than the right of taxpayers to determine the national expenditure have been surrendered, and if we are to continue this sort of thing the power of parliament will be gone for ever.

Mr. SPEAKER: Order. I suggest that the hon. member confine his remarks to the amendment.

Mr. CHURCH: Quite right, Mr. Speaker; I am directing my remarks to the motion and the amendment. I say we might as well all go home. It is no wonder the people back home in our constituencies are asking what the members of parliament are doing. They want to know what we are doing in connection with margarine and many other matters that have been mentioned here today, but the answer is nothing at all. It is said we are to have a debate on foreign affairs, but I doubt if we will ever get to it; by that time the empire may be gone.

In conclusion I say these matters of controllers and executive rule affect every man, woman and child in the country, and we have surrendered all these powers to the executive. They are irresponsible. They are irremovable, under no control and subject to no appeal. They are above the law, the courts and the House of Commons. If we are not to have our rights and privileges we might as well turn the key in the door of parliament and go home.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, so far everyone has said he is a backbencher and is speaking for the backbenchers. I am a frontbencher temporarily sitting in the back, though if I were from Ottawa I would be always in the front benches.

I cannot go along with the hon. member for Rosetown-Biggar (Mr. Coldwell) in his amendment. I think everyone knows that the hon. member for Fraser Valley fully intends to talk out some of these measures

if at all possible, and I am good for forty-eight minutes or sixty-four, with your permission. However, I believe the particular bill I have in mind should be brought before the house and be dealt with here by the elected representatives from all parts of Canada. I believe a private member should have that privilege, just as I believe a private member should have the courage of his convictions and vote on such a matter. I am going to do my best to defeat a certain bill, but I am prepared to do it right here in this house. Therefore I intend to uphold the resolution.

Mr. J. L. GIBSON (Comox-Alberni): As an independent member of this house—

Some hon. MEMBERS: Oh, oh.

Mr. GIBSON (Comox-Alberni): I repeat, as an independent member of this house—infinitely more independent than any member of any of these parties sitting around me, who rally around their whips—I want to add my protest to the form of this resolution. The government must admit that hon. members on all sides have been quite prepared to co-operate in expediting the business of the house, but I think this resolution, which asks us to give up the rights of private members with no guarantee as to the length of time that will be required, is a little unfair. I believe the government should give further consideration to the matter and see if there is not some way in which a limit can be placed on the time during which they may have the power for which they are asking; perhaps it could be for one month.

Personally I should be very glad to grant such power. As has been stated, we have two bills on the order paper which to my mind are extremely important, not only to those of us in the house but to the people of Canada generally. I refer to the bill which would amend the Dairy Industry Act, and the bill sponsored by the hon. member for Quebec-Montmorency in regard to illegal organizations. I would not like to have members of the press gallery say in the newspapers that the members of this house were afraid to face these two important issues. I would like the privilege of recording my opinions on these matters, and I am sure many other hon. members feel the same way. I would be grateful therefore if the government would let this motion stand and reconsider the matter with a view to seeing whether it cannot be made more acceptable to the backbenchers—which the hon. member for Fraser Valley (Mr. Cruickshank) claims he is not—and the ordinary members of the house.

[Mr. Cruickshank.]

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I think all hon. members realize the importance of the public business that has to be considered, and that no one wants to slight that business. And I am sure all hon. members must realize that the government has no desire whatever to act in the way described by the hon. member for Peel (Mr. Graydon), in a word for which he apologized before using it. There is no intention of hogging the time of the house.

Mr. GRAYDON: I did not mean to apologize; I thought the word was very good.

Mr. ST. LAURENT: I think we all feel our responsibility in respect of the public affairs of the country, and we all feel that parliament has to deal with the time at its disposal in the manner that will best suit the interests of the public at large.

The hon. member for Peel offered the suggestion that this motion should be allowed to stand for a period of perhaps two weeks. We would be quite prepared to accept something of that kind, but it would not be quite frank to do so, because whether or not the hon. member realizes it, there is a resolution which would still be in effect at the end of that period, which provides less time for private members than is provided here. So his suggestion would not meet the wish of a large number of hon. members that certain time be allowed for the consideration of matters they feel should be dealt with. The hon. member for Rosetown-Biggar (Mr. Coldwell) has suggested that this motion might be acceptable if two hours were reserved for matters being promoted by private members, but he would invert the order set out in standing order 15.

We have had some expression of views as to how the time of the house should be used in the interests of the public. I would suggest that this debate be adjourned until tomorrow and in the meantime we can get together and see if we can do something which will leave the impression that everyone wishes to be fair. Between now and tomorrow afternoon we can give the matter some further thought, and I think we can come to a conclusion which will leave each one with the impression that no other is trying to have his own way, but that everyone is trying to do what is best for the country at large.

I move that the debate be adjourned.

Mr. SMITH (Calgary West): May I ask the minister a question? I was wondering whether the smoothness of his remarks was induced by butter or margarine.

Mr. COLDWELL: Do I understand that the right hon. gentleman moves an amendment?

Mr. ST. LAURENT: No; I move the adjournment of the debate until tomorrow afternoon.

Motion agreed to and debate adjourned.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WAR ASSETS—FIRE EXTINGUISHERS

Mr. STEWART (Winnipeg North):

1. How many CO_2 fire extinguishers are in the possession of War Assets Corporation?
2. Have any such extinguishers been destroyed since the cessation of hostilities? If so, how many?
3. Have any offers of purchase been received by the corporation? If so, how many have been accepted?
4. To whom were they sold?
5. What was the cost price of these extinguishers?
6. Have any been returned to the manufacturers? If so, at what price?

Mr. McILRAITH:

1. There are 727 CO_2 extinguishers located in the Winnipeg area at the present time.

2. Yes. 268 have been scrapped.

3. Yes, offers of purchase have been received and 15 have been accepted.

4. Canada Car and Foundry Co., Fort William, Ont., Canadian Pacific Airlines, Winnipeg, Man., province of Manitoba, city of Winnipeg, Man., City Machinery Co., Winnipeg, Man., Aircraft Service Western Ltd., Winnipeg, Man., Luke's Electric Motor and Machinery Co., Winnipeg, Man., J. Werier and Co. Ltd., Winnipeg, Man., Pioneer Electric Limited, St. Boniface, Man., city of St. Boniface, Man., fire exchange, Winnipeg, Man., Security Storage Co. Ltd., Winnipeg, Man., city of Saskatoon, Winnipeg Electric Company, Winnipeg, Man., W. Davies, St. Vital, Man.

5. The corporation is not in a position to answer this part of the question.

6. 464 of the 2 lb. type were sold to Walter Kidde and Company, Montreal, at $2.25 each. 39 of the 50 lb. and 10 of the 100 lb. types were sold to LaFrance Fire Engine and Foamite Limited, Toronto, at $16.67 and $33.25 each respectively.

NATIONAL HOUSING ACT, 1944

Mr. FLEMING:

Up to December 31, 1947, under the National Housing Act, 1944, (a) how many contracts have been entered into under part I; (b) what is the total number of houses for which loans have been authorized under part I; (c) how many of such houses have been completed and are now occupied; (d) what is the total amount of the loans authorized under part I; (e) how many contracts have been entered into under part II of the act; (f) what is the total number of rental housing projects for which loans have been authorized under part II; (g) how many of such rental housing projects are low-rental housing projects; (h) how many of such rental housing projects have been completed and are now occupied, and how many of them are low-rental housing projects, and where are they located; (i) what is the total amount of the loans authorized under part II; (j) how many limited dividend corporations have been recognized as qualified to receive loans under section 9 of the act? What are they and where are they authorized to operate rental housing projects? Which ones are institutional housing corporations, and which are institutional holding companies; (k) which of such limited dividend housing corporations have received loans under part II? (l) (1) To how many municipalities have grants been made pursuant to section 12; (2) what are the individual amounts of such grants and what municipalities respectively received them; (3) what are the other terms, if any of the said grants; (m) (1) how many municipalities have applied for grants pursuant to section 12; (2) how many have been refused; (3) how many of such applications are still pending; (n) how many contracts have been entered into under part III; (o) (1) what is the total number of houses for which loans have been authorized under part III; (2) how many of such houses have been completed and are now occupied; (p) what is the total amount of the loans authorized under part III; (q) how many contracts have been entered into with manufacturers of plumbing and heating equipment or other component parts of houses, pursuant to section 15; (r) how many payments have been made under part IV, and what is the total thereof; (s) what studies and investigations, planning and research have been carried on under part V; (t) what expenditures have been made pursuant to part V out of the $5,000,000 authorized by parliament in 1945, under section 27A?

Mr. McILRAITH:

Detailed information required is available for most questions in the annual reports of the corporation for 1946 and 1947, but is not available for 1945.

(a) Annual report for 1946, page 30; annual report for 1947, page 29.

(b) Answered by (a).

(c) Answered by (a). No information is available for occupancy.

(d) Answered by (a).

(e) Answered by (a).

(f) Answered by (a). The number of rental housing projects corresponds to the number of loans approved under part II.

(g) Forty-one of these rental housing projects were approved under sections 9 and 9A, covering 3,629 housing units, of which 3,449 housing units were approved during 1946 and 180 during 1947.

(h) Answered by (a). Completions during 1947 of housing units in low-rental housing projects were located at: Saint John, Montreal, Three Rivers, Atikokan, Brantford, Brockville, Burlington, Chatham, Guelph, Hamilton, Kingston, Kitchener, Lindsay, London, Marathon, Owen Sound, Peterborough, Sarnia, Stratford, St. Catharines, St. Thomas, Toronto, Waterloo, Windsor, Regina, Saskatoon, Edmonton, New Westminster, Port Neville, Vancouver, Victoria.

No information is available for completions in 1945 and 1946, nor for occupancy.

(i) Answered by (a).

(j) Thirty-five, including the 32 subsidiary companies of Housing Enterprises of Canada, Limited at:—Saint John, Montreal (2 projects), Three Rivers, Brantford, Brockville, Chatham, Guelph, Hamilton, Kingston, Kitchener, Lindsay, London (2 projects), Owen Sound, Peterborough, Sarnia, Stratford, St. Catharines, St. Thomas, Toronto (2 projects), Waterloo, Windsor, Regina, Saskatoon, Edmonton, New Westminster, Vancouver (2 projects), Victoria.

The three other companies are:—Burlington Housing Corporation at Burlington, Ontario; Lakeview Heights Limited at Marathon, Ontario; Don Park Homesites Limited at Atikokan, Ontario.

Housing Enterprises of Canada, Ltd., is the only institutional holding company, control of which has been vested in Central Mortgage and Housing Corporation, while the remainder are institutional housing corporations, including the subsidiaries of Housing Enterprises of Canada, Limited.

(k) The 35 limited dividend housing companies listed in (j).

(l) 1, none; 2, answered by 1; 3, answered by 1.

(m) 1, one; 2, none; 3, one.

(n) None.

(o) 1, answered by (n); 2, answered by (n).

(p) Answered by (n).

(q) None.

(r) Annual report for 1946, page 34; annual report for 1947, page 32. No claims have been paid for loans guaranteed under Part IV.

(s) Annual report for 1946, pages 22 to 24; annual report for 1947, pages 11 to 13.

(t) Annual report for 1946, page 38; annual report for 1947, page 34.

IMMIGRATION—CITIZENS OF CZECHOSLOVAKIA

Mr. JACKMAN:

1. How many citizens of Czechoslovakia were admitted into Canada during the years (a) 1946; (b) 1947; (c) and January and February, 1948?

[Mr. McIlraith.]

2. How many applications from citizens of Czechoslovakia for admission to Canada were on file with the Canadian government as of March 1, 1948, and how many of these had been approved?

3. How many of those whose applications were approved had relatives in Canada?

4. Has Canada an immigration office in Czechoslovakia? If so, when was it re-opened?

5. Will approved applicants be granted exit permits by the present Czechoslovakian government?

Mr. MacKINNON:

1. 216 citizens of Czechoslovakia were admitted during the calendar year, 1946.

356 citizens of Czechoslovakia were admitted during the calendar year, 1947.

72 citizens of Czechoslovakia were admitted in January, 1948.

79 citizens of Czechoslovakia were admitted in February, 1948.

2. Records show that during the period April 1, 1947, to February 29, 1948, relatives in Canada filed applications for 2,547 persons residing in Czechoslovakia which were all approved and forwarded to the Canadian legation at Prague and the relatives in Canada were advised to have the proposed immigrants apply in person at the Canadian legation, Prague, for examination and visa. Included in the persons applied for there was undoubtedly a number who were not citizens of Czechoslovakia, and records from Prague show that for the same period 300 immigration visas were granted to citizens of Czechoslovakia.

3. See answer to question No. 2.

4. No regular immigration officer but the Canadian legation looks after immigration matters and the grant of immigration visas. Legation was opened in Prague at the end of March, 1947.

5. The policy of the present Czechoslovakian government in regard to grant of exit permits is uncertain.

MOUNTED POLICE—QUESTIONING OF MEMBERS OF UNIVERSITY FACULTIES

Mr. STEWART (Winnipeg North):

1. Have any members of the R.C.M.P. interrogated or questioned, officially or unofficially, any member of any faculty of any university or college in Canada during the last two years?

2. If so, how many, and for what reason?

Mr. ILSLEY: Mr. Speaker, I am going to ask the hon. member to drop this question, and on two grounds. In the first place I have a letter from the commissioner of the Royal Canadian Mounted Police in which he says that in order to answer the question he would have to ask for a report from every member of the Royal Canadian Mounted Police, and that even that answer would not necessarily be

correct because a large number of members of the force have left the service in the last two years. He states he would be unable to reach all of them, as he does not have their present addresses.

The second ground is that even though there were not those considerations of practicability and convenience, these inquiries are not inquiries the results of which could be reported to the House of Commons; they would be of a confidential nature. On these grounds it would not be in the public interest to answer the questions.

Mr. STEWART (Winnipeg North): I am prepared to reword the question to get certain information I should like to have. My information is that these interrogations have been taking place, and I should like to know why.

Mr. SPEAKER: Dropped.

INCOME AND EXCESS PROFITS TAXES

Mr. REID:

What amounts were collected by way of (a) income tax; (b) excess profits tax, in the various provinces for the year 1946?

Mr. WINTERS:

Fiscal year 1945-46

	Income tax (a)	Excess profits tax (b)	Total
Prince Edward Island	$ 2,117,412	$ 902,864	$ 3,020,276
Nova Scotia	26,178,175	13,490,704	39,668,879
New Brunswick	16,608,986	10,844,277	27,453,263
Quebec	258,488,521	151,002,358	409,490,879
Ontario	431,732,700	223,634,790	655,367,490
Manitoba	48,830,094	28,089,644	76,919,738
Saskatchewan	24,186,459	5,363,786	29,550,245
Alberta	37,679,168	14,597,651	52,276,819
British Columbia	91,342,307	46,046,530	137,388,837
Yukon Territory	565,452	223,879	789,331
Canada	$ 937,729,274	$ 494,196,483	$ 1,431,925,757

LIFE SAVING STATIONS

Mr. CHURCH:

1. Has anything been done by the government since the debate on the estimates last session to establish adequate and properly equipped life saving stations in Ontario on the great lakes and international rivers?

2. During the floods at the Etobicoke river on lake Ontario, what life saving appliances and equipment had the government for this work there?

3. What life saving station afforded assistance in this disaster?

4. What life saving stations has the government on the great lakes to aid navigation and the safety of the sailors there?

5. Has any survey been made since the last debate on it?

Mr. CHEVRIER:

1. No actual life saving stations are operated on the great lakes, but as pointed out in an answer to a question tabled last session, the department does maintain and operate on the great lakes between Kingston and the Canada-U.S. border near Fort William, 426 lightstations, fog alarm plants and light and signal buoys as well as approximately 1,100 unlighted buoys, beacons, etc. In addition, government vessels are available on short notice to render assistance to vessels in distress in their immediate vicinity. There are seven ship-to-shore radio telegraph and telephone stations to provide constant 24-hour communication with ships on the great lakes. These stations regularly broadcast weather forecasts, storm warnings and notices of dangers to navigation. There are also fifteen automatic radio beacons from which ships take their bearings by radio.

2. Etobicoke river not under the jurisdiction of the Department of Transport.

3. No information. See answer to No. 2.

4. (a) See answer to No. 1.

(b) It was pointed out in an answer to a question tabled last session that life saving appliances and equipment required to be carried in ships operating on the great lakes are specified in the regulations respecting life saving appliances made under authority of paragraph (b) of section 405 of the Canada Shipping Act, 1934, as approved by order in council P.C. 3 of the 6th day of January, 1937.

All merchant ships operating on the great lakes are required by the terms of section 387 of the Canada Shipping Act, 1934, to have the hull and equipment inspected by the steamship inspectors at least once a year, and inspectors

are required to ascertain that the ships are equipped with all equipment necessary for safe navigation, and certificates of inspection are not issued until this equipment is on board.

5. No.

ST. LAWRENCE WATERWAY

Mr. CHURCH:

1. Has the government any announcement to make regarding the postponement of the plans agreed to for the construction of the St. Lawrence waterway by the United States, and by Canada?

2. Will the minister make any statement on it before the Easter recess? If so, when?

3. Why and for what purpose was another commission appointed by Canada to investigate the Lachine section of this work?

Mr. McILRAITH:

1. On February 27 last, after considering a joint resolution approving, with the exception of certain of its provisions, the agreement concerning great lakes-St. Lawrence basin development, signed by Canada and the United States on March 19, 1941, the United States senate recorded its decision to recommit the resolution to the committee on foreign relations for further study. In the circumstances, it is considered that no useful purpose would be served by making an announcement at the present juncture.

2. Answered by No. 1.

3. The desired information was given on February 4, by the Hon. Minister of Transport in reply to a similar question from the hon. member. The reply is to be found on page 858 of *Hansard* of that date.

HEALTH AND WELFARE—CO-OPERATION WITH PROVINCIAL DEPARTMENTS

Mr. BROWN:

What work of a special nature has been carried out by the Department of National Health and Welfare in co-operation with any provincial department of health?

Mr. MARTIN:

1. In response to a request from the deputy minister of health for Prince Edward Island, a two-months' study was conducted of the bacteriological and sanitary quality of milk throughout the province. The provincial department of health provided laboratory facilities, staff and equipment, the Department of National Health and Welfare making available a mobile bacteriological laboratory and the services of a public health engineer who surveyed dairies, pasteurization plants and representative samples of dairy farms. As a result of the report submitted by this department following an analysis of the results of the survey appropriate legislative action was taken to bring into force the recommendations made.

[Mr. Chevrier.]

2. In co-operation with the British Columbia department of health the paediatric specialist of the child and maternal health division of the Department of National Health and Welfare has, since September 1947, been directing a study in Nanaimo, B.C., of the physical condition of some 8,000 school children. This study consists of the evaluation of the physical fitness of children by means of the Wetzel grid. The Wetzel grid is a graph which has recently been evolved for the evaluation of the physique, the growth or nutritional grade, the physical progress and the caloric need of a child. Associated with the study is the organization of services designed to correct the deficiencies encountered; deficiencies due to physical as well as psychological factors, e.g. malnutrition, poor discipline, maladjustment in the home, et cetera, et cetera.

3. The child and maternal health division of the Department of National Health and Welfare recently co-operated with the school medical officer of Saskatoon in carrying out a study of the influence of psychological factors on the growth of school children. The division provided the necessary Wetzel grids for this study.

4. The nursing specialist of the child and maternal health division of the Department of National Health and Welfare was in Regina for some months organizing, in co-operation with the provincial authorities and the Saskatchewan branch of the Canadian Red Cross Society, a mothers' milk service. The service is designed to save the lives of premature and debilitated babies and to encourage breast-feeding of infants. This project entailed organizing the collection, storage, refrigeration and dispensing of mothers' milk to babies in hospitals and in homes. A depot at Saskatoon was also established. Many conferences with local health officials, doctors, hospital and nursing groups were arranged. Talks were given by radio, to voluntary groups and to parents, and articles were prepared for the press, monthly health bulletins, et cetera.

5. The province of New Brunswick is participating with the dominion government in a treatment scheme to determine whether an appreciable number of blind can be removed from the blind pension rolls by operation and medical treatment. Funds have been voted by the dominion government to be used on a 75-25 per cent basis, in agreement with the provinces. Lists of suitable cases have been furnished by the blindness control division of the Department of National Health and Welfare to the other provinces as well, who, it is anticipated, will also participate in the scheme.

6. In response to requests received from the provinces model plans have been drawn up by the hospital design division of the Department of National Health and Welfare for (a) a mental hospital and (b) a provincial department of health building to include various clinics. On request, a consultation service has also been given on active treatment hospital plans.

7. The laboratory of hygiene of the Department of National Health and Welfare is participating in a co-operative effort with the provincial public health laboratories to ensure a uniform service in the diagnosis of syphilis, with a view to facilitating the control of the disease. Re-agents used in the blood test for syphilis are prepared and standardized at the laboratory of hygiene for distribution to the provinces. Collaborative studies to evaluate the accuracy of the blood tests, as carried out in each laboratory, are conducted from time to time. New and improved methods of diagnosis are being investigated. The directors of all provincial public health laboratories have by unanimous resolution accepted the laboratory of hygiene as the national referee laboratory for this work.

8. At the request of the province of Nova Scotia a survey of food services in the small hospitals and country homes was carried out by the nutrition division of the Department of National Health and Welfare. A report was made to the province, giving detailed advice for improvement of the situation observed.

9. At the request of the province of Saskatchewan a member of the nutrition division of the Department of National Health and Welfare worked in the province for two months assisting in a special effort to expand the operation of a school lunch program in rural schools.

10. At the request of the provinces concerned, nutrition surveys designed to assess the nutritional status of the population were carried out by personnel of the nutrition division of the Department of National Health and Welfare in—

(a) a Nova Scotia island;
(b) two counties in Quebec;
(c) a health unit in Ontario;
(d) a health unit in Alberta.

11. A survey of the nursing situation was made in the mental hospitals of Canada, as urged by the dominion-provincial conference on mental health held in October, 1946 and as approved by the dominion council of health at its meeting in November, 1946. The purpose of the survey was to obtain an accurate estimate of the present situation in the mental hospitals as to shortage of nurses, training programs that are being conducted, and working conditions of the nurses, with a view to advising the provinces where their efforts at improvement would be best directed and assisting them with detailed advice.

The survey was conducted by the chief of the mental health division of the Department of National Health and Welfare assisted by a member of the staff of the division, an outstanding nurse with years of experience in responsible positions in the psychiatric field. Thirty-six mental hospitals, three county homes, three veterans' psychiatric units, and three psychiatric units in provincial hospitals were visited. Every province was visited.

A report was made to the provinces which included recommendations regarding a recruitment program, the administrative set-up and nursing services, the staff and facilities needed for an adequate training program, etc.

12. As the provincial venereal disease control clinics have no facilities for testing the toxicity, physical and chemical properties of arsphenamines and related products, the food and drug division of the Department of National Health and Welfare undertook the testing of stocks of these products on hand in the V.D. control clinics throughout Canada. The purpose was to ascertain the stability of these products under varying conditions of storage and to check the effectiveness of the regulations under which the department controls the release of these products in Canada.

13. Technical assistance was given by personnel of the industrial health division of the Department of National Health and Welfare in the field and in the industrial health laboratory in Ottawa in respect to a survey of coal mines in Alberta carried out in co-operation with the tuberculosis division of the Alberta department of health and the provincial workmen's compensation board.

14. Technical assistance was given by personnel of the industrial health division of the Department of National Health and Welfare and in the industrial health laboratory in Ottawa in respect to a survey of the silicosis hazard in foundries and stone-cutting establishments of New Brunswick, carried out in co-operation with the New Brunswick department of health.

15. A survey of health facilities in industries in New Brunswick was, at the request of the New Brunswick deputy minister of health, carried out by the industrial nursing consultant of the industrial health division of the Department of National Health and Welfare.

16. Technical assistance was given by personnel of the industrial health division of the Department of National Health and Welfare and in the industrial health laboratory in Ottawa in respect to a survey of health hazards in certain industries in Nova Scotia and Saskatchewan carried out in co-operation with the Nova Scotia and Saskatchewan departments of health.

17. The dental health division of the Department of National Health and Welfare is co-operating with the Ontario department of health in a study of the fluorine-dental caries relationship. This study is being conducted in Brantford, Ontario, and, while several similar studies are under way in the United States, the Brantford study is the only place in Canada where this work has been undertaken.

In Brantford, where fluorine is being added to the water supply in an attempt to reproduce conditions of lowered dental caries incidence, previously observed in areas where the water naturally provides this element, the dental health division has conducted a carefully controlled study of the dental status of approximately fifteen hundred school children. Similar examinations will be performed by this division on children in two "control" cities in Ontario, one of which has a fluorine-free water supply, the other having a water supply in which fluorine occurs naturally and in optimal amounts with regard to protection against dental caries.

WAR ASSETS CORPORATION—EMPLOYEES AT BOUCHARD (ST. THERESE)

Mr. BERTRAND (Terrebonne):

1. How many persons were in the employ of War Assets Corporation, at Bouchard (Ste. Thérèse), on January 15, 1948?

2. What are the names of the said persons, and what were their places of residence and salaries or wages?

3. Were any employees dismissed between January 15, 1948 and March 15, 1948?

4. If so, what are their names, and for what reasons were they dismissed?

5. Have the dismissed employees been replaced? If so, what are the names, places of residence and salaries or wages of the persons replacing the said employees?

Mr. McILRAITH:

1. 17 employees.

2. Alarie, R., Ste. Therese, P.Q., $131.00 per month.

Aldridge, J., Verdun, P.Q., $190.00 per month.

Batten, H. E., Montreal, P.Q., $214.00 per month.

Beaupre, P. A., Ste. Therese, P.Q., $173.00 per month.

[Mr. Martin.]

Chaisson, W. I., Montreal, P.Q., $227.00 per month.

Comeau, H., Ste. Therese, P.Q., $139.00 per month.

Conmee, A. B., Montreal, P.Q., $240.00 per month.

Edwards, C., Montreal, P.Q., $131.00 per month.

Edworthy, Mrs. V. M., Ste. Therese, P.Q., $106.00 per month.

Frawley, C. E., Rosemere, P.Q., $147.00 per month.

Graves, G., Ste. Rose, P.Q., $183.00 per month.

Hetu, M., Ste. Therese, P.Q., $131.00 per month.

Langley, J. E. T., Ste. Therese, P.Q., $253.00 per month.

Mathews, Mrs. M. N., Ste. Therese, P.Q., $126.00 per month.

McDougald, A. A., Ste. Therese, P.Q., $300.00 per month.

Ringle, P. J., Montreal, P.Q., $147.00 per month.

Roberge, D., Ste. Therese, P.Q., $147.00 per month.

3. Yes.

4. Aldridge, J., completion of work.
Beaupre, P. A., completion of work.
Edwards, C., completion of work.
Edworthy, Mrs. V. M., completion of work.
Hetu, M., completion of work.
Ringle, P. J., completion of work.
Batten, H. E., completion of work.
Graves, G., completion of work.
Langley, J. E. T., completion of work.
McDougald, A. A., lack of experience in final work required.

No, except:

5. Replacement of Mr. McDougald in the person of:

David, L. O., Montreal, P.Q., $284.00 per month.

Mr. David was sent to Bouchard to complete War Assets Corporation records as Mr. McDougald did not have the required experience. Mr. David having completed this work has since been separated.

FAMILY ALLOWANCES—OVERPAYMENTS

Mr. McIVOR:

1. What is the total amount of overpayments of family allowances as at November 30, 1947?

2. What proportion of (1) is collectible by deductions from accounts still in force?

3. What proportion of (1) is considered otherwise collectible although accounts are no longer in force?

4. What proportion of (1) is considered uncollectible?

Mr. MARTIN:

1. $387,494 (covering the period July 1, 1945 to November 30, 1947).

2. $202,156.

3. $164,643.

4. $20,695.

RAILWAY CONSTRUCTION

Mr. McKAY:

1. How many miles of railway lines were constructed (a) since 1920; (b) during 1947, in (1) Canada; (2) Saskatchewan?

2. What mileage af railway was built in Canada since 1920 by (a) Canadian Pacific Railway; (b) other railways?

Mr. McILRAITH:

1. New track constructed 1920-1946:

Canada	5,081 miles
Saskatchewan	2,567 "

2. Net increase in railway mileage, 1920-1946:

Canadian Pacific*	1,842 miles
All other railways	1,203 "

(All annual reports for 1947 not yet received —monthly reports indicate a decrease of 13·6 miles.)

*Constituent railways of Canadian Pacific system in 1946.

SOLDIER SETTLEMENT—MINERAL RIGHTS

Mr. DIEFENBAKER:

1. Have any purchasers of land from the soldier settlement board been denied the mineral rights which were attached to the land at the time of purchase?

2. If so, in how many cases?

3. Under what authority is this course being followed?

Mr. GREGG:

1. Yes.

2. No record has been maintained of the number of soldier settlers who from time to time may have indicated an interest in obtaining title to the mineral rights underlying their land.

3. Section 57 of the Soldier Settlement Act, as passed in 1919, reserved to the crown all mines and minerals in soldier settlement lands. Such mines and minerals are now administered by the Department of Mines and Resources.

CANADIAN COMMERCIAL CORPORATION—EMPLOYEES VETERANS PREFERENCE

Mr. DIEFENBAKER:

1. How many persons are presently employed in the government-owned company, Canadian Commercial Corporation?

2. How many so employed enjoy permanent civil service status?

3. How many employees of this corporation are in receipt of salaries of $4,000 per year or over?

4. How many persons in (3) are entitled to veterans preference?

Mr. McILRAITH:

1. 316.

2. 10.

3. 11.

4. Thirty-one per cent of the male employees of the corporation, including one of those referred to in 3 above, are entitled to veterans preference.

ADVERTISING OF LIQUOR

Mr. BENTLEY:

In what provinces of Canada is liquor advertising illegal?

Mr. WINTERS: No information.

FILM BOARD—DISABLED VETERANS IN RECEIPT OF PENSIONS

Mr. STEWART (Winnipeg North):

1. How many disabled veterans in receipt of pensions are on the staff of the National Film Board?

2. In what offices or buildings do they work?

Mr. WINTERS:

1. 12.

2. 6—John street building; 1—Middle street building; 2—225 Sparks street; 2—Monument Nationale building; 1—Sovereign building.

RADIO BROADCASTING—BROADCASTS IN ONTARIO IN FRENCH LANGUAGE

Mr. COLDWELL:

1. Has any radio station in the province of Ontario refused to sell more than five minutes continuous time for broadcasts in the French language for commercial, political or other types of broadcast?

2. If so, has this practice been approved by the Canadian Broadcasting Corporation?

Mr. WINTERS:

1. No information available.

2. See No. 1.

GRANBY-MONTREAL MAIL SERVICE

Mr. BOIVIN:

1. Have any contracts been awarded by the Postmaster General for the conveyance of mails between Granby and Montreal?

2. If so, how many?

3. To whom?

4. At what amount per annum?

Mr. BERTRAND (Laurier):

1. No. Mails are conveyed between Granby and Montreal by railway at standard mail pay rates.

2, 3 and 4. See answer to No. 1.

IMMIGRATION—DISPLACED PERSONS

Mr. MacINNIS:

1. How many persons from displaced persons' camps have been brought to Canada for work in the lumber industry in Ontario from July 1, 1947 to March 1, 1948?
2. How many lumber workers in the Ontario area were registered as unemployed as at March 1, 1948?
3. How many of the unemployed were displaced persons?

Mr. MITCHELL:

1. 3,472 persons from displaced persons' camps were brought to Canada for work in the lumber industry in Ontario from July 1, 1947 to March 1, 1948.

2. No figures are available for March 1, 1948, but figures are available for February 26 and March 4. Under the heading of loggers and bushmen there were registered on February 26, as seeking employment in Ontario, 115, and on March 4—102. For your information the unfilled vacancies for this classification of worker were, respectively, for the same dates, 472 and 279. Under the classification of saw mill and planing mill workers there were registered as seeking employment 70 and 67, with unfilled vacancies of 31 and 18 for the same dates—February 26 and March 4. It is probable that these latter figures are not required as displaced persons came out for work in the first classification, that of loggers and bushmen.

3. No separate statistics are kept for displaced persons.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WAR ASSETS—HOSPITAL BLANKETS

Mr. FRASER:

1. Did the War Assets Corporation sell to individuals or firms unused hospital blankets?
2. If so, to whom were they sold?
3. What was the original price of same?
4. What price were they sold at?

RADIO BROADCASTING LICENCES

Mr. HENDERSON:

1. How many applications for the issue of radio broadcasting licences were (a) made; (b) granted, since January 1, 1947?
2. What persons or corporations made the application in each case?
3. Of these applications, how many have been deferred and what was the reason for deferment in each case?

Mr. McILRAITH: Return tabled.

RYE GRAIN AND MALTING BARLEY

Mr. WINKLER:

1. Has the government received complaints that there appears to be insufficient rye in Canada to satisfy sales for future delivery in May and July?

[Mr. Bertrand (Laurier).]

2. Has the government received requests from the United States of America for malting barley shipped in bond through the United States for delivery in eastern Canada, on the basis of exchanging it for feed barley plus the premium for malting barley?
3. If so, by whom?
4. What was the reply?

Mr. GIBSON (Hamilton West): Return tabled.

FILM BOARD—STILL PRINTS

Mr. FRASER:

1. How many stills were made by the national film board during the months of January and February, 1948?
2. How many of these still prints were sold?
3. What were the sizes; at what price were they sold, and were they black and white or colour?

Mr. WINTERS: Return tabled.

CROWN CORPORATIONS

Mr. FRASER:

1. What crown corporations have been established since January 1, 1940?
2. What are the names of those corporations that are still in operation?
3. Who are the directors and senior officials of each such corporation?
4. What salary, fee or other emolument, is paid to each such director or official?
5. What is the purpose, or object, of each such corporation?
6. What is the capitalization of each such corporation?
7. What factories, plants or other similar physical properties, are owned by each such corporation and where are they located?

PRIVILEGE

MR. MACDONNELL—DELAY IN REPLY TO QUESTION PASSED AS ORDER FOR RETURN

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, on a question of privilege affecting myself and, I take it, every hon. member in the house—I believe it can be raised at this point—I wish to refer to a question which I asked the minister weeks ago, and the answer to which was delayed for two months. Eventually it came down on March 22.

The question had to do with the purchase of bonds by or on behalf of the government. I waited without making complaint, except to ask about the question, until I received an answer to it. I am now convinced that if it had been asked for in a private institution and the answer was not forthcoming within forty-eight hours, there would have been all kinds of trouble, with perhaps only one exception. There was a return from the wheat board, and it may be that their office staff is in Winnipeg. However I wish to draw the

attention of the house to the fact that I believe the delay was either the result of scandalous inefficiency—which I do not believe is the case—or for some reason which I cannot understand it was not thought desirable that I should have the information any earlier.

Hon. DOUGLAS ABBOTT (Minister of Finance): My hon. friend's views are completely without foundation.

Mr. MACDONNELL (Muskoka-Ontario): I suggest that an ex cathedra statement of that kind does not get us anywhere.

Mr. ABBOTT: Nor do two ex cathedra statements get us anywhere.

MARSHALL PLAN

QUESTION AS TO DELEGATION FROM CANADA TO WASHINGTON

On the orders of the day:

Mr. GORDON GRAYDON (Peel): I should like to ask a question of the Minister of Trade and Commerce. In the press of the last two or three days there has been an intimation that the minister is to lead a delegation from Canada to Washington to discuss matters relating to the Marshall plan. Will he intimate to the house whether that is to be done, and if so, when the delegation is to leave Canada for that purpose?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I have nothing to announce at the present time. Discussions have taken place on the subject, and when any conclusions are arrived at I shall be glad to announce them.

WHEAT

QUESTION AS TO PROCLAMATION OF WHEAT BOARD ACT AMENDMENTS

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): I should like to ask a question of the Minister of Trade and Commerce. Will the minister inform the house whether Bill 135 is in force now, or does it have to be proclaimed before it is effective?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, Bill 135 has been passed by both houses of parliament and has received the royal assent. It is now in effect. If the hon. member will read the bill he will find that certain sections are made operative by orders in council. Action has been taken accordingly in respect of one section. Suitable steps will be taken when it comes time to consider making other sections operative.

INQUIRY AS TO SIGNING OF INTERNATIONAL AGREEMENT

On the orders of the day:

Mr. ROBERT FAIR (Battle River): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Has the international wheat agreement been formally signed on behalf of Canada?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The agreement has been initialed on behalf of Canada by the officer who represented Canada in the discussions which led to the agreement, and later in the course of the session the house will be asked to ratify it.

Mr. FAIR: Will the ceiling price as set out in the agreement be raised in line with increased freight costs and other increased production costs?

Mr. HOWE: The ceiling price in the international agreement is not affected by any change in freight rates.

PRAIRIE FARM ASSISTANCE OVERPAYMENT UNDER WHEAT ACREAGE REDUCTION SCHEME

On the orders of the day:

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, on February 27 I asked the Minister of Agriculture a question in regard to certain regulations under the Prairie Farm Assistance Act, and I was told that the matter was being referred to the appropriate officers and an answer would be given later. Can the minister now answer my question?

Right Hon. J. G. GARDINER (Minister of Agriculture): As I remember the question it had to do with certain amounts owing to the government being deducted from payments under the Prairie Farm Assistance Act. I have made inquiry and I am informed that some such charges have been made, but my opinion is that the terms of the act are such as not to contemplate the collection of that kind of payment. Until I have had a final decision in the matter I do not care to say more at the moment. It was not the intention that anyone would be able to charge anything against the payments under that act.

EGGS

REQUEST FOR INCREASED PRICE TO COMPENSATE FOR HIGHER FREIGHT RATES

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I should like to ask a question of a minister—I am not sure which one.

Mr. HOMUTH: Ask them all.

Mr. CRUICKSHANK: Sleeping quarters will be provided elsewhere. My question is this. Will consideration be given to an increase in the price of eggs for export, to offset the increase in freight rates? That is a fair question. Surely some member of the government can answer it.

Mr. GRAYDON: All the eggs are in Mr. Howe's basket.

Mr. CRUICKSHANK: In order to bring it to a head I shall ask the question of the Acting Prime Minister.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I am not in the egg market; but when I do purchase eggs I pay the price quoted, and I do not know that that depends upon any ceiling. I am not aware that there is any ceiling on the price of eggs.

Mr. CRUICKSHANK: Might I ask a supplementary question on a matter which very seriously affects my riding? I think it is up to some member of the government to give an answer. This freight increase means an increase of two cents a dozen on eggs. The Minister of Agriculture was not responsible for this increase in freight rates, I know, but will he tell me whether any consideration has been given to an increase in the export price of eggs because of this increased cost?

Hon. LIONEL CHEVRIER (Minister of Transport): If my hon. friend's question has to do with what are known as export and import rates, the order of the board does not affect those rates; it excludes them from the operation of the order.

LABOUR CONDITIONS

DEEPSEA SHIPOWNERS AND DECK, ENGINEER AND WIRELESS OPERATORS—SALARIES

On the orders of the day:

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, in view of the statement made yesterday by the Minister of Labour in regard to deepsea personnel, would the minister give to the house a comparison of the salaries paid to the officer personnel of the ships in 1939 and the salaries recommended in Mr. Justice McNiven's report?

Hon. HUMPHREY MITCHELL (Minister of Labour): In reply to the senior member for Halifax I will quote from the report of Mr. Justice McNiven, dated January 22, 1948, in which he states:

The following table sets out basic monthly wage rate for officers on Canadian deepsea dry cargo vessels, corresponding as nearly as possible to the vessels now in service, for the years 1939, 1944 and 1946-47, together with the basic rates which I recommend for inclusion in the new agreements:

Rank	1939	1944	1946-47	Recommended
Chief officer	$135	$234.43	$260	$285
Second officer ...	115	209.43	230	255
Third officer	90	179.43	200	220
Second engineer	135	234.43	260	285
Third engineer ..	115	209.43	230	255
Fourth engineer	90	179.43	200	220
Fifth engineer ..	70	159.43	180	200

The radio officer in 1946-47 received $225 and the recommended rate is $250.

Mr. ISNOR: Do those figures include allowances for food and clothing?

Mr. MITCHELL: No. Board and accommodation, to use the language of the shore, is in addition to their salaries; or in the language of the street, it is free.

POSTAL SERVICE

INQUIRY AS TO PARCELS TO PALESTINE

On the orders of the day:

Mr. J. O. PROBE (Regina City): I have given the Postmaster General notice of this question. What is the present position of the Canadian Post Office department with respect to accepting food or other parcels for transmission to Palestine?

Hon. ERNEST BERTRAND (Postmaster General): Mr. Speaker, although I received a copy of my hon. friend's question yesterday I was unfortunately unable to meet my officer, but I will give an answer tomorrow.

BUSINESS OF THE HOUSE

WAR VETERANS ALLOWANCE ACT AMENDMENT—INDUSTRIAL RELATIONS BILL

On the orders of the day:

Mr. A. J. BROOKS (Royal): Mr. Speaker, last night it was indicated that we would take today the second reading of Bill No. 196, to amend the War Veterans Allowance Act. But we have just received copies of the bill since coming into the house and have therefore had no opportunity to study it and are not in a position to discuss it this afternoon. Would it be possible to have this order of business left over until tomorrow?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): I do not know whether an answer to the question would have

any practical application today, because there are other items to be taken up before that bill. In any event it was my understanding that as soon as the bill receives second reading it is to be referred to the veterans affairs committee. I am sure that the Minister of Veterans Affairs would not want to ask the house to consider second reading at a time when any hon. member felt that he had not been given sufficient opportunity to study the bill.

Mr. ANGUS MacINNIS (Vancouver East): I should like to raise a similar question with respect to the second reading of Bill No. 195. I have had a copy of this bill, and I presume the other members are in the same position, only since I came into the house today. I think it is unfair to ask the members, even if the bill is similar to last year's, to take up the second reading of so important a measure without having had an opportunity to study it.

Hon. MILTON F. GREGG (Minister of Veterans Affairs): In respect to the bill referred to by the member for Royal, I am prepared, as indicated by the leader of the house, to arrange a time that will be in accordance with the general wish of the house.

GOLD MINING

EMERGENCY PAYMENTS TO ASSIST IN MEETING INCREASED COST OF PRODUCTION

Hon. DOUGLAS ABBOTT (Minister of Finance) moved the third reading of Bill No. 7, respecting emergency payments to assist in meeting increased cost of production of gold.

Mr. T. L. CHURCH (Broadview): Before this bill receives third reading I wish to say a few words. The bill is entitled, "An act respecting emergency payments to assist in meeting increased cost of production of gold." It is based on a policy which I have advocated for every province of Canada. A policy of bonuses, subventions and subsidies would solve all the economic problems of this country and of every province. It would also solve our economic and fiscal problems and the internal problems of this country, and is based on protection. I advocated this policy when I first entered the house. I advocated a policy of farm assistance and assistance for the development of a national fuel supply from the maritimes, and many other economic aids. I advocated a policy of similar grants, bonuses, subventions and subsidies to food products in this country. I am sorry that in connection with this gold industry this action was not taken years ago in new Ontario.

I remember when the high production costs of power and many other things in an economic way were preventing the development of this particular industry in northern Ontario. At that time Sir Adam Beck brought forward the policy of municipal ownership of electrical power, and we tried to get it for new Ontario. At that time also the Temiskaming and Northern Ontario railway was being built, and sections had been built into the gold and silver camps. At that time that railway should have been electrified. If that had been done the mines would have had cheaper production costs and cheap light and power. The cost of light and power was one of the main causes of the high production costs there in this particular industry. At one time in the gold mining and other districts the cost of direct current was up to $60 a horsepower at Cochrane. That was under private ownership. If the Temiskaming and Northern Ontario railway, the government-owned transportation system in new Ontario, had been electrified, that country would have had cheaper production costs by one-half and cheap light and power. They would have got it for $9 or $10 a horsepower as against $60. If that had been done the production of gold today would be five times as high as it has been in the past and the production of silver would be about three times as high.

I can only say that the government is adopting the proper policy in giving emergency relief to this particular industry. I hope that the same principle will be carried out in base metal production and in some food products such as milk and other things. If we carried out this system of bonuses, subventions and subsidies for emergency in such days as these it would solve all the economic problems of Canada from coast to coast, in every province, by protection, particularly if it were properly applied.

Mr. ALAN COCKERAM (York South): Mr. Speaker, I had not intended to speak on third reading of this bill, but in reading over the speech made yesterday by the hon. member for Cape Breton South (Mr. Gillis) I thought that, as one who has been closely associated with the industry for some twenty odd years, I should put on the record a refutation of some of the things which the hon. member said which were not quite fair to labour and management in that industry.

The first point the hon. member made was that there was difficulty at the present time

in getting union agreements in the mining districts. The hon. member said at page 2678 of *Hansard*:

> The reason I would like that assurance is that the miners' union in the gold industry has been endeavouring unsuccessfully for nearly two years to get a trade union agreement with the operators.

As is generally known, the trouble in the mining districts between management and the labour unions at the present time is that communist organizers came into the camps from the United States and it has been very difficult for the management to come to any agreement with the unions. I can assure the hon. member for Cape Breton South that, once these difficulties are ironed out, the mines will be very glad to make an agreement with their employees.

Then the hon. member said:

> I do not suppose in the whole of Canada there is a section of any industry where the hazards are greater than in the gold and nickel mines in northern Ontario.

It has been said by Mr. Longmore, the general manager of the Hollinger mine, and one of the greatest employers of labour in the mining industry, that in the past few years more accidents to miners have happened going to and coming from work than have occurred underground. Outside of the very few spectacular accidents, gold mining is, I think, a pretty safe industry, the management having a fetish for the safety and welfare of their men.

The next point the hon. member dealt with was silicosis. I do not think that in any other place in the world one will find more attention paid to silicosis and greater efforts made to overcome that hazard of mining than in the gold mining industry of Canada. Everybody who knows anything about the industry in Ontario knows that twenty-five cents per man shift is deducted and a special fund has been created by the compensation board to take care of any cases of silicosis. I have yet to learn of any one case brought before the board that was not considered on its merits and the man or men given reasonable treatment.

Then the hon. member made this statement:

> If the minister had written into this particular subsidy—it should not be a one-way street; it should work both ways—protection for the miners who dig the gold, take the risks and sacrifice their health, it would partly meet our demands. If the minister had recommended that at least a portion of this subsidy should be used for the purpose of setting up adequate machinery for the diagnosis of silicosis, it would meet with our approval.

[Mr. Cockeram.]

I have indicated what the industry has done with regard to silicosis. I am sure that there is no other place in the world where men are better looked after.

Then the hon. member for Cape Breton South said:

> There is no such thing as underground exploration.

One has only to go to a gold mine to know that veins have a habit of disappearing, and that a great deal of underground exploration has to be done, which is very costly, before the veins are located again. One of the big items in the cost of the gold mine is diamond drilling underground to find the veins which possibly have been lost. The point that I should like to make the most of is found on page 2679 of *Hansard*. I quote what the hon. member said, as reported at page 2679:

> Point number two is that consideration should be given by the department to the matter of setting up a general welfare plan in the community for the purpose of building up the morale of the workers in their homes and raising their standards, and recognizing them as human beings.

I do not suppose there is in this country any other group of employers who do more to see that their men are looked after than does the mining industry of Canada, and in this respect I should like to read from the annual report of the Ontario Mining Association issued last year:

> The employment statistics branch of the dominion bureau of statistics in their report on the employment situation, issued on May 5, 1947, showed the average weekly earnings in the nine leading industries of Canada as at March 1, 1947.
>
> | | per week |
> |---|---|
> | The average for the nine industries was | $35.62 |
> | The average for metal mining was ..... | 46.91 |
>
> In only one group were higher average weekly earnings shown: namely, transportation. Here, while the average for the whole group was down at $44.47 per week, steam railway operation paid an average at that time of $50.45 per week.
>
> As referred to previously earnings of Ontario metal mining employees are higher than the Canadian average and in addition, as from December 1, 1946, when controls were finally removed by the Ottawa government, most of the gold mining companies in the province instituted pay increases for wage groups of 10 cents per hour with commensurate increases for many of those in the lower salary brackets.

This is the important section:

> In addition to wages, Ontario mines generally provide extra benefits, varying from mine to mine according to circumstances, and applicable entirely at the discretion of the company. They include such assistances as group medical treatment plans, group insurance facilities, provision of housing below cost, pension plans, operation of

company stores below cost, provision of mine clothing and a host of other advantages made available through company financial support in whole or in part of the cost involved.

I thought that, in view of the remarks made by the hon. member for Cape Breton South, I should bring these few details before the house in order to set the matter right. I know of no other industry, left alone, in which there is a better feeling between labour and management than in the mining industry. The management has faith in the men and the men do a good job and are loyal to their employers. Unfortunately there has been some trouble in northern Ontario, caused in the main by communist leaders who have come from the United States to disrupt the industry.

Mr. CLARENCE GILLIS (Cape Breton South): I had not intended taking any further part in this debate. Yesterday I thought that the Minister of Finance (Mr. Abbott) completely justified the measure before the house. I made a few observations on it and was prepared to allow the matter to rest there. As I suggested at that time, so long as the Minister of Finance has to play the game according to the rules as they stand today, and when he finds himself faced with a United States dollar crisis, that is about the only basis upon which this measure can be justified. It is unfortunate, however, that of the 245 members the mining companies have so many spokesmen in the house while the miners have so few. I suggest that their side of the story is not being told at all.

The hon. member for York South (Mr. Cockeram), who has provoked me into rising at this time, said that there was no other section of industry in Canada in which there were better internal relations, wherein there was greater mutual love, than between the miners and the mining companies of northern Ontario.

That is not my impression. The miners in the gold mining industry established the right to bargain with their employers only around 1941, after years and years of struggling and pleading merely for the right to form a collective bargaining agency and to have the right to sit around the conference table with the boss in order to get a fair share of the wealth which they produce; for in the final analysis it is the miner who digs the ore who produces all the wealth. After that struggle this government certified a bargaining agency for the gold mining industry of northern Ontario by recognizing the mine, metal and smelter workers' union as the legitimate bargaining body. During the war they arrived at agreements, and in my opinion they arrived at agreements largely because the federal government had jurisdiction in the field of labour and had some pretty aggressive conciliators. War made it necessary to have harmony in the industry, and the machinery of collective bargaining—democracy in industry is really what it adds up to—was established in the mining industry of northern Ontario.

I should, however, like the hon. member for York South to tell the house why it is that since the close of the war the operators in the gold mining industry of the north, for whom he argues, have refused to sign any kind of collective agreement. If at the present time the relationship is so agreeable between employer and employee, why is there not an agreement in the gold mining industry on wages and conditions?

It has been allowed to run out. The men have tried every reasonable means at their disposal to get a contract and so far no contract has been signed. At the same time the mine operators come to the government wanting a contract with the government in the form of a subsidy that will guarantee them a profit on their operations, not only on the operations underground but on freight rates and on almost every phase of the production, distribution and marketing of the product they turn out.

They want a signed agreement in the form of a bill from the federal government, and at the same time they refuse the man who digs the ore, the man who has to go underground, any kind of agreement that will guarantee him that his wages and his conditions in the future shall be such and such.

As I said yesterday, I think one of the first things the gold mining industry of the north country should be compelled to do, before any subsidy is paid to them by the taxpayers of Canada, is at least to allow in their industry the democracy which they preach so much to the employees who dig the wealth out of the ground and make it possible for the industry to carry on that operation.

That should be done and it has not been done, and that certainly does not bear out the argument advanced by the member for York South, that the relations are so harmonious between the gold mining industry of the north and the employees. They have done everything they can to frustrate the men who dig the gold in the north country. I know what I am talking about because I have been up there.

On the other hand, the statement the hon. member makes, that while there has been a little trouble up there, it is largely because of

the infiltration of communists from the United States, is a statement that should be examined. That is only an excuse. That is an escape. That is not true. I am not saying the hon. member is making a false statement consciously, but I am saying he is handling the truth rather carelessly or is badly informed on the subject that he discusses. The mine, mill and smelter workers' union is a Canadian union. It has complete jurisdiction in matters of wage negotiations and so forth.

Mr. SMITH (Calgary West): Officered by communists right through the picture.

Mr. GILLIS: Just a minute. The officers of that union in northern Ontario are Canadians who dig gold out of the ground in the north country and they are not communists. Perhaps the hardest fight that is being made in Canada right now against the machine which the hon. member characterizes as communist control from the United States, is being made by the miners of the north country who are in there now doing a tough slugging job to clean up a mess that was developed through no fault of their own. There was plenty of trouble there before these people came from the United States. Let hon. members' minds go back to Kirkland Lake and the battle that took place there for months and months.

Mr. COCKERAM: That was started from the United States.

Mr. GILLIS: It was not started from the United States.

Mr. COCKERAM: Tom McGuire.

Mr. DEPUTY SPEAKER: Order.

Mr. GILLIS: Tom McGuire came in there to help put that thing through. I was out there all through that.

Mr. LITTLE: Tom McGuire is a communist.

Mr. GILLIS: He is not.

Mr. COCKERAM: He was in those days.

Mr. LITTLE: He told me he was a communist. I can prove it.

Mr. GILLIS: He was only kidding you. I know Tom McGuire; I am no friend of the communist party and they are not friends of mine. Do not make any mistake about that. I have a fairly good idea of who is who in this country today.

Mr. LITTLE: So have I.

Mr. GILLIS: That fight took place in northern Ontario. What for? It was not over wages; it was not over conditions. That strike was for the right to sit around the conference table, for certification for their union.

Mr. LITTLE: There is no objection to that.

Mr. GILLIS: And McGuire came in there to help. These men were new. They were green at that time; and in my opinion they were taken for a ride in that strike by the gold mining industry in northern Ontario. I say that for this reason. Gold was a non-essential commodity during the war. Men were badly needed in other sections of industry across Canada for war purposes. A large percentage of the men had to be rooted out of the gold mining industry for that purpose. But instead of taking the responsibility of doing it themselves, the company and the government precipitated a strike, rooted the men out, practically scrapped the community and blamed it on the men. That is what happened at that time. That could not have been done to a union which was well organized and understood the tactics of those who wanted to scrap a community and blame it on somebody else. The men from Kirkland Lake were rooted out all across this country.

Nevertheless, after that fight for certification of their union, today in that north country, in that gold mining industry, the men are denied the right to a contract. If there is any section of the public which has some right to security, the right to know what their wages and their conditions are to be this month and next month, by means of an agreement with their employer, I think it is those who work in the mines. The hon. member for Calgary West (Mr. Smith) last night made certain remarks. He is a man who is quite familiar with the mining industry. He served for many years as the legal adviser to the united mine workers out in western Canada. He knows the score. Last night he said that this house was weeping too many salty tears over the life of the miner, that the miner had a wonderful life—once a miner, always a miner. I was a miner for twenty-six years and I would tell hon. members this. I have said it in the house before and I say it again. If I had my choice of going back to the mine or of putting on a uniform and fighting a war, I would put the uniform on and fight the war. That would be short; it would be quick; and I would have some fun while I was doing it. But if the hon. member for Calgary West thinks a miner's life is a nice one—and this applies equally to coal and gold, I suppose—

Mr. SMITH (Calgary West): I did not say it was a wonderful life. I said the other two things, but let us be accurate. I did not say that or anything like that.

Mr. GILLIS: Well, by implication.

Mr. SMITH (Calgary West): I would not go down in a coal mine if you gave me the mine; that is, if I had to work in it.

Mr. GILLIS: I am glad to hear the hon. member for Calgary West say that. He says he would not go down in a coal mine if they gave it to him. I suppose that the same thing applies to a gold mine.

Mr. SMITH (Calgary West): I have not been in one.

Mr. GILLIS: He is quite satisfied that it is a wonderful life for somebody else, and he tries to kid this house that we are weeping too many salty tears over the miners. I am on the side of the fellow who has to get out of bed at four o'clock in the morning, in the middle of the night, and wend his way out into these large mines, walk for hours, sweat all day, and come back again at night. Then the following week he goes out at three o'clock and he is back home again at twelve o'clock. Then next week he goes out on the graveyard shift.

Mr. CASE: May I ask one question?

Mr. GILLIS: If it is not a speech.

Mr. CASE: The men are not conscripted to go down in the mines, are they? There is freedom of choice, is there not?

Mr. GILLIS: I will answer that question. Yes, I would say they are conscripted. It is economic conscription. They are there by force of circumstances, not by choice.

An hon. MEMBER: The class war.

Mr. GILLIS: My hon. friend can construe it as the class war if he likes. That is the fact of the matter. If it is a class war, it is because the upper class imposes on those below—

Some hon. MEMBERS: Oh, oh.

Mr. GILLIS: —who lack an opportunity to do something for themselves.

Mr. GIBSON (Comox-Alberni): Rubbish.

Mr. GILLIS: If it is a class war, that war was declared a long time ago by the upper strata of society.

An hon. MEMBER: Not in Canada.

Mr. GILLIS: It is merely a matter of attack from the top, in my opinion, on the fellow at the bottom, by definite means. I certainly cannot sit here and listen to the argument that the mining companies are angels with wings, that they are great humanitarians, that their hearts bleed for the men who work for them, because that is not the fact of the matter at all.

Mr. COCKERAM: They look after their men. I will take you up north and show you.

Mr. GILLIS: I have been up there. And I am going to stay on the ground until some kind of democracy is established in that industry. Anything I can do to help, I am going to do. As I suggested last night, if I were Minister of Finance I would send a wire to the northern Ontario mining companies, and I would say that it does not look so good, granting a subsidy which guarantees you certain profits on your operations while you deny a contract to the employees who work in that industry. Settle your wage question. How are you going to determine a subsidy when these people do not know next month or next year what their wage bill will be?

Mr. COCKERAM: They do too.

Mr. GILLIS: It is at least one-third of their total cost. That should be settled. Then you would know what you were doing. If there were a two-year contract in there, you could make some kind of appraisal of what the operation will cost. They should do that and do it immediately. If the taxpayers' money is to be spent, some form of welfare plan should be established in these heavy industries. As hon. members know, you can wend your way around this House of Commons until you are eighty or ninety, be slipped over to the other place and wheeled in in a wheel chair. But when you go into these heavy industries, at forty you are washed up. Fifteen hundred men were laid off in the mining industry of Nova Scotia within the last few months. They had reached the age of sixty-five. There is nothing for them. They are just out. In your north country today, in your mining industry and in your coal industry, the companies will not hire a man over forty years of age.

Mr. COCKERAM: That is nonsense.

Mr. GILLIS: Who said that?

Mr. COCKERAM: I did.

Mr. GILLIS: I am making that statement, and I challenge contradiction of it.

An hon. MEMBER: You have had it.

Mr. GILLIS: If you go to any mining section of Canada today and try to get employment,

you face a medical doctor first, and you must be 100 per cent fit. If you are forty years of age, he will not even examine you; you are too old. That is the established practice today right across this country. That is so in your steel plants also. That has crept in since the end of the war. The hon. member for York South, checking balance sheets and buying stocks and bonds in an office on Bay street, is certainly not keeping in touch with actual conditions in the industry for which he is arguing here. At forty years of age you are out. You have no job. They will not hire you; you are too old.

Mr. SMITH (Calgary West): Nonsense. I know personally dozens of men seventy years of age or more, still working in the coal mines.

Mr. MATTHEWS (Kootenay East): Shame.

Mr. SMITH (Calgary West): Why shame?

Mr. MATTHEWS (Kootenay East): That a man seventy years of age should still have to work in a coal mine.

Mr. SMITH (Calgary West): They could buy out both you and me. They have plenty of money and are working because they like to do so.

Mr. MATTHEWS (Kootenay East): They are working because they have to, not because they want to.

The CHAIRMAN: Order. The hon. member for Cape Breton South has the floor.

Mr. GILLIS: Thank you, Mr. Chairman. I enjoyed that little exchange.

Mr. SMITH (Calgary West): You may know one of them; his name is Joyce, and he is president of the union.

Mr. GILLIS: That may have been true until a year or so ago, but I know that last year the mining industry in Nova Scotia adopted that formula, that at forty years of age you are out. If you reach the age of sixty-five you are laid off, and the company pays you a small pension. That has been the system for a great many years in the north country. You undergo an examination, and you must be completely physically fit. If you reach the age of forty you are too old; they do not employ you.

So in this matter of welfare, having that in mind, since the Minister of Finance is going to pay millions of dollars from the public treasury in order to finance this industry—and I say "finance" advisedly because he has covered practically every phase of its operations—I think it not unreasonable to ask the gold mining companies to set aside a certain amount for the purpose of establishing a welfare fund under which a man who, because of disability or age, was laid off by the industry would at least have something on which to live. That is done in practically every other section of society. Many of the industries across Canada are doing that very thing today, but it is not done in that section of the country.

On this business of silicosis, the hon. member for York West—

Some hon. MEMBERS: York South.

Mr. GILLIS: York West or York East or York South, it does not make any difference; he is from Toronto anyway. That is a subject I do not want to go into, though I have done so here in the house on several occasions. I antagonized the compensation board in this province back in 1941 to the point that they wrote a brief and sent it to this house in an attempt to prove to hon. members that there was no such thing as silicosis. I had an argument with a medical man in the house. There is a medical man here at the present time. I have gone into this business of silicosis and its diagnosis and so on for a good many years. We fought for years in Nova Scotia to have it made a compensable disease and we finally won the battle; but proving that a man has silicosis is a difficult proposition. I got into it by fighting a claim with the Canadian pension commission. A man suffering from a chest condition had served overseas for a considerable time. Our contention was that the man was 100 per cent disabled; that he had developed tuberculosis on service, aggravated by coal and stone dust after coming back, and that he had a tubercular condition. The pension board said there was no such thing. Well, after checking around for some considerable time, I found out, on medical advice, that by stethoscope and X-ray it is almost impossible for any medical man to differentiate definitely between half a dozen chest conditions. Having that in mind, I went farther. What was to be done about the matter? Well, there is a drug known as libiatol which is injected into the bronchial tree, and the man is put in the sanatorium. I went through that in the case to which I am referring. We had an expert there in Halifax, Doctor Schinaveze; and in the final analysis, after an examination of this kind, he agreed with us. His report said the man had tuberculosis incurred about 1916, aggravated by coal and stone dust; and that man was given a 100 per cent pension.

Having that in mind, and having in mind the advice of medical men, to determine whether it is silicosis, tuberculosis or half a dozen other chest conditions with which hon. members are familiar and which I do not want to go into today, the only accurate test that can be made quickly is the test I have described. The hon. member for York West—

Some hon. MEMBERS: York South.

Mr. GILLIS: Well, the Toronto member—says they are doing a great deal of research into the matter. Certainly they are. They are doing research into almost everything, but not very much is coming from it. Here is a test that can be made quickly. It is a little more expensive than what they are doing now, but until this is done in every case I say they are not doing for the miners of the north country, or the miners of Nova Scotia either, what should be done to determine whether or not a man has silicosis. Putting it in the act and saying it is compensable, and then making a man go out and prove he has that disability, is not the sort of thing that should be done. If there is a test—and there is one, as I have just stated—that test should be made.

A man who develops that condition underground is placed in this position. He is examined by his doctors and they find some condition has developed in his chest. They take him out of the mine and put him on the surface. They leave him on the surface for two or three years, coughing his heart out, and in the final stages he becomes tubercular. That is not compensable. He passes on and his widow and orphan children have no protection. If in the first place there was a proper diagnosis and he was given compensation for that disability, there would be protection for his family when he passed on. As I told this house yesterday afternoon, in 1941 I read into the records of this house a will in which a man employed in the gold mining industry, suffering from silicosis, gave his body to his friend in order that, after he passed away, it might be dissected, to prove that he had this disability, so that his wife and family might be protected. There is no fair play.

Mr. SMITH (Calgary West): No, and it was not yesterday afternoon, either, when you told us the same story. I agree with you.

Mr. GILLIS: Well, until these injustices are wiped out in the matter of establishing a condition of that kind, I say the compensation board and the Ontario government are not doing what they should. If there are tests that can be made within reason—and there are—then those tests should be made, instead of a man being put on the surface and beaten out of his compensation. I am not saying that is done only in Ontario; that is the situation in every section of the mining industry. I personally know men in Nova Scotia who are on the road because of the same condition. A doctor says it is silicosis. The papers are sent to Doctor Riddell here in Ontario. He does not see the man; he sees the papers and the X-ray reports, and he says the man is not suffering from silicosis. But the man cannot work; he is on the street. He has no income, and that is not fair play. Until these things are wiped out, I do not believe the hon. member for York West—

An hon. MEMBER: York North.

Mr. GILLIS: —or York East—

Some hon. MEMBERS: York South.

Mr. GILLIS: —can stand in his place and say the mining industry in Canada is a great, humanitarian organization. I am going to vote for this measure to help out the Minister of Finance. I am sorry for him. He is a pretty good fellow, caught up in a pretty bad machine. He needs United States dollars. This old system, with the rules of the game as they are, makes him play poker in this way; and until the people of Canada are prepared to give him a mandate to use the financial structure of this country in another way, he will have to do it in this way. But I am strongly suggesting to him that he get in touch with the mining companies and that he say to them, "We are going to give you this money. We are going to do what we can to help you. But get together with your employees and take some of the smear off because of the fact that you are not playing ball. You have not democracy in your industry". Try to establish some kind of welfare scheme up there which will give these men some kind of encouragement for the future along the lines I have suggested.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I wish to say just a word. I am stimulated to rise partly by what was said by the hon. member for Cape Breton South (Mr. Gillis) and partly by what has been said by the hon. member for York South (Mr. Cockeram).

Mr. COLDWELL: Good stimulation.

Mr. MACDONNELL (Muskoka-Ontario): My reason for rising is that the hon. member for Cape Breton South said it was a great pity that there were not enough spokesmen for the

miners here. It so happens that in a small way I can speak for one miner on this question. The reason I want to do it is that my good friend the hon. member for Cape Breton South undertook when he was speaking to make some pretty sweeping statements about employers.

I do not suggest that all employers are made in heaven, or that they are all going to heaven. I am not suggesting for one moment that they are always doing what is right. But I dislike hearing anyone say that employers have done everything to frustrate their employees.

Mr. GILLIS: No.

Mr. MACDONNELL (Muskoka-Ontario): Those are your words. I took them down.

Mr. GILLIS: Mr. Speaker—

Mr. MACDONNELL (Muskoka-Ontario): Let me make my speech. You can correct it later.

Mr. GILLIS: The hon. member is not quoting me accurately. I said the mining industry in northern Ontario did everything they could to frustrate their employees in securing collective bargaining.

Mr. MACDONNELL (Muskoka-Ontario): If you think that is a correction, all right. My little bit of experience—and it is small perhaps, but I suggest it is indicative of the situation—would show that the situation is not just exactly as our hon. friends would represent it.

Driving along the road not long ago, I happened to pick up a man, and it turned out that he was a miner. He began to talk to me about mining and, without any prompting from me at all, told me that in his mine they were very well treated indeed.

You will say, "Oh, that is only one mine". You will say it is only one man. I am not exaggerating this, nor am I asking anyone else to exaggerate it. I am just bringing this in because it goes to support what was said by the hon. member for York South.

I believe these questions with which we have to deal are difficult enough, and I would agree with many of the difficulties which my hon. friend has mentioned. But the point I make is this, that every time an attempt is made by any person to set class against class—I do not like that term "class"; let me say rather interest against interest—I say this deliberately, and I do not care what party he belongs to, he is following the communist line. That is communism. Wherever you get that attempt to create hatred, that is communism, and I defy anyone to deny it. And I say that anyone who takes that line need not be surprised if people accuse him of following the communist line.

I have just this to add. I object to people undertaking to say that those in certain occupations have less humanity than people in other occupations. They do not. I have had some little experience with labour. As a matter of fact my experience with labour was right down in Cape Breton South. I am bold enough to say that I and the people with whom I associated got along with labour very well, and it was not because we were different from other people. It was because we tried to be decent, and to tell them the truth. We tried to let them know about the business they were in, with the result we got 100 per cent support.

Then, coming to these people in the north country may I say that I do not doubt there are some of the difficulties the hon. member for Cape Breton South mentioned. But I feel that we in the House of Commons should try to restrain ourselves from suggesting that somehow or another there are some people who are wicked and others who are good, and that that is the reason we are in trouble.

Mr. WALTER LITTLE (Timiskaming): Mr. Speaker, I feel that, coming from the north country, I should say a few words. I have lived in that north country for thirty-seven years; and when I say that I refer to the Kirkland Lake district. I know miners and I know mining just about as well as the hon. member for Cape Breton South (Mr. Gillis) does.

He has talked about men not wanting to work underground. I could tell him about a chap who worked in a mine right from grass roots until he was down 5,000 feet. The manager of that mine wanted the miner in question to come up to the surface and to work there for a while, but the miner did not want to come up. The manager insisted that it would do him good to get some sun for a while; and when the manager insisted too much the miner said, "Well, I can go to another mine and get work underground". That is an indication of how much that fellow liked working underground. The miner about whom I am speaking still works at the same mine, although I suppose that today he is at least sixty-five years of age. He does not now work underground, but acts as night-watchman.

Then, the hon. member referred to McGuire. I know McGuire well. In company with another man he came into my office one day, and he told me in my office that he was a

communist, and that he was not ashamed of it. I will go before any judge in the country or take an affidavit to that effect against Mr. McGuire, and also have the other man called, if that is necessary. There is no use in rising in the House of Commons and trying to protect these fellows when they say they are communists. Reid Robinson says he is not, so we cannot do anything about that. But when a man tells one frankly that he is a communist, then not much more can be said about him.

Mr. GILLIS: McGuire is not in this country now.

Mr. LITTLE: I know he is not; and I wish Reid Robinson was not here either.

The hon. member has talked about mine managers. I have had business with mine managers for thirty-seven years. I hauled stuff into that country until such time as the railroad went in, and I had to deal with mine managers. I had to make many contracts and agreements with them, and I can say I got along well with them. I never had a mine manager act in a mean way toward me, or in a way different from that in which other men would have acted. They are businessmen, just the same as other men who are in business. They will try to get the best bargain they can; but I have always found them fair about it.

I can tell the house that when war broke out prices increased to a great extent in that district, much higher than they are today. We were paying $45 a ton for hay and $5.25 a bag for western oats. I was receiving $7 a day; I was paying my men $4.50 and it cost me $2.50 a day to feed my horses. I went to the mine managers and laid my cards on the table. They said to me, "Say what you want and, if it is fair, we will give it to you." Surely that was fair enough.

I do not like to hear men rise in the House of Commons and speak as the hon. member for Cape Breton South has done, and to talk as he has about mine managers. They are not angels, I know; but—

Mr. GILLIS: I was not talking about mine managers. I was talking about operators.

Mr. LITTLE: Operators, then, if you like.

Mr. GILLIS: A mine manager is, himself, an employee.

Mr. LITTLE: He is an operator.

Motion agreed to, bill read the third time and passed.

SUPPLY

FREIGHT RATES—INCREASES ORDERED BY TRANSPORT BOARD—AMENDMENT, MR. COLDWELL

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

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I regret I have to do what I intend to do this afternoon. I had no intention of doing it when I came to the house, but, in view of the statement made by the Minister of Transport (Mr. Chevrier) this afternoon, I wish to say something about his announcement. I feel that in endeavouring to place the review of the freight rates and their equalization before the board of transport commissioners again he is simply shelving the question for a couple of years, during which time the people of Canada will have exceedingly high rates inflicted upon them, and that this house should not tolerate the delay.

This matter, as has been pointed out by various hon. members on all sides of the house, including the government side, is one which is squarely on the doorstep of the government itself. I believe that, in view of the serious effects to our economy, this house should have an opportunity of expressing an opinion about what the government proposes to do and, indeed, about what the government has failed to do. I propose to give the house that opportunity, for I am going to move an amendment to the motion to go into supply. My amendment, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles) is:

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

"this house is of the opinion that the failure of the government to defer the imposition of the increases in freight rates recently authorized by the board of transport commissioners is inimical to the best interests of the people of Canada; further this house is of the opinion that the government should reconsider this matter and take action to prevent the proposed increases from coming into effect at this time."

The reference again to the board of transport commissioners will be a reference on the basis of certain economic considerations; for that, I take it, is what the equalization of freight rates really involves. The speech which I made on Monday afternoon did not deal with economic considerations. It dealt primarily with political considerations; that is to say, on the effects which the board order would have on various areas of Canada in relation to other areas within our country. I said it was a threat to the continuance of good relationships between the various regions of Canada. I said

it might undermine the very basis of confederation upon which this country was founded. I said it would cause discontent because it would impose upon groups of people who live in the more remote areas a charge which was unfair when that imposition was considered in relation to its effect on people who live in other areas in Canada. I said the judgment of the board of transport commissioners on the basis of cold railroad economics was unjust, unfair, and prejudicial to people who live, as I put it, in the maritimes, in British Columbia and in the prairie provinces.

The Minister of Transport (Mr. Chevrier) has already, I believe, received protests from seven premiers of seven provinces of Canada asking that the new rates be not permitted to go into effect until seven of the nine federated provinces of Canada shall have had an opportunity of placing their representations before the authority which has the right and the obligation to make the final decision in this matter—the federal cabinet of this country.

I say, Mr. Speaker, this house should have the opportunity of expressing itself on this issue. While I regret very much having to delay our going into supply to provide an opportunity which we all want to discuss external affairs on Monday next, this issue is of such importance to the whole of Canada that I believe it should be discussed and decided by the house. I believe in responsible government. I believe that the government of this country should be responsible to this house, just as in turn we are responsible to the people of Canada.

I realize that the amendment which I have moved to the motion to go into supply and which I believe to be entirely in order may mean a vote of want of confidence in the government because of the action it has taken today. I realize what may flow from that vote if the government is defeated, but I want to say to the government that if those consequences should flow this question is of such vital importance to the people of Canada that it should be decided by the people of Canada if necessary.

In moving the amendment, I make it abundantly clear that I believe that this house must accept the responsibility of saying to the government: These rates, unjust, unfair and discriminatory, prejudicial to various parts of Canada, should not go into effect at this time. The government in bringing down the order in council this afternoon, merely to refer again to the same tribunal the question of the equalization of rates, is simply dodging an issue which it must face squarely.

[Mr. Coldwell.]

I do not propose to enter into a long debate. I made the case I intended to make on Monday afternoon. But this is a grievance which the people of Canada have, and it is a grievance which should not only be aired but placed squarely before the government so that there can be no dodging of the issue. I have moved the amendment, Mr. Speaker, because I want parliament to decide this issue now.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I believe that the hon. member for Rosetown-Biggar (Mr. Coldwell) has done a public service to the people of Canada in raising this question at this time, and I wish to associate myself with what he has said. I would draw the attention of the Minister of Transport (Mr. Chevrier) and all the members of the cabinet to the very serious situation which they have allowed to develop during the last few days. I desire to be very moderate in the language I use on this occasion, but it is a very serious occasion. I believe one would be justified in saying that the government has been guilty of the complete abnegation of democracy in this dominion during the last few days. The dominion government represents the provinces of the Dominion of Canada. The government originally in Ottawa was set in Ottawa by the provinces of Canada to act as an agent for them. Seven of the nine provinces of Canada have on several occasions expressed the strongest disapproval of increasing freight rates in the Dominion of Canada at the present time, and since the judgment of the board was announced increasing freight rates by 21 per cent, I understand that every one of those seven provinces has expressed its disapproval once more. The government in its announcement today has chosen to ride roughshod over the expressed opinion of seven of the sovereign provinces of the Dominion of Canada. That is no small matter, and it will lead to plenty of trouble. The government has apparently developed the idea that it can kick the people of Canada around whichever way it chooses. We have seen that attitude in existence on several occasions in the last few years. The people of Canada are becoming tired of being kicked around. The government seems to have the idea that there is no recourse, that a people like the people of the maritimes and the people of the west simply must take whatever the dominion government chooses to give them and like it. There are means to which these people can have recourse. I should like to warn the members of the government not to drive these people too far. If we once become convinced in the western provinces that it is impossible to live with Ontario and Quebec we shall find some means of doing another thing.

The people of this dominion must bear in mind that western Canadians are Canadians and are entitled to equal treatment. They do not consist of slaves or menials or peasants; they consist of free men, descendants of free men with free traditions, and if they cannot accomplish the desires of their hearts in the way of fair government by sending representatives to Ottawa, Mr. Speaker, they will be tempted to send representatives somewhere else. That is just how serious it is. And if the members of the cabinet have not had that impressed on them I urge them to take my words seriously because I mean every syllable of what I am saying. Men in my constituency, in my province and in several others are talking in just such terms as that.

Not only has the government disregarded the expressed will of seven sovereign provinces in this dominion, but it has completely disregarded the pleas and requests of organizations of producers from coast to coast in this nation. Farmers' organizations and organizations of producers of every kind have sent in requests. Why, one would think these people were babes whispering in a windstorm for all the attention the dominion government gives to what they say.

May I say one more striking thing? I will wager, Mr. Speaker, that if hon. members were freed from party consideration seventy-five per cent of them would vote against the freight rate increase. I will go farther than that; I will wager that sixty per cent of the present Liberal members of this house, if they were freed from party affiliations, would vote solidly against this increase. Therefore what is the government doing when it is disregarding the will of the members of this house? If it is not abrogating democracy, I do not know where one would go to find it. Is there any way in the world in which the will of the Dominion of Canada can be made to reach into the minds of the men who occupy the treasury benches today?

Mr. KNOWLES: Carry this amendment, and you will defeat the government.

Mr. BLACKMORE: Perhaps it would not be wise for me to go into many of the discriminations in the present freight structure. Years ago, before the war broke out, I used to say a great many hard things and cite many serious facts, all bearing on this matter. My province, Alberta, happens to be at the apex. They get us going and coming, and they get us to the extreme going and coming. We know what these freight rates mean to the people. I do not believe it would be well for me to elaborate on this discrimination just now, since it has been discussed considerably during the last two or three days, but there is in the matter of the freight rate structure from coast to coast in this country a discrimination which stands as a condemnation of any government that permits these discriminations to continue; and to tell us that all the government proposes to do is to turn the problem over again to the board of transport commissioners is to insult us. Why, that group of gentlemen have been in charge of the railway affairs of this country for ten or fifteen years. I do not know where one would go to find a group of men who have made a more tragic mess of their task than these men have. To turn this problem back to them under these circumstances is far far short of being good enough.

I was astonished when the minister made his announcement this afternoon. If there is to be an investigation of the inequities of the freight rate structure in this country, why not have it first and then let the increase be put on if it is found necessary. Just imagine forcing the people all over this dominion to suffer at the present time from the inequities of this freight rate structure for two or three years more, while the board of transport commissioners leisurely proceeds to examine the situation and discovers the abuses which it already knows exist!

I am not going to say any more at the present time. I know there are a good many hon. members who wish to express their feelings in the same way as I have. I am going to cut my remarks short, but I will say that the members of my group will support the amendment of the hon. member for Rosetown-Biggar, and they will support it with the fervent wish that this dominion government be defeated at once. These people have acted as tyrants in this country long enough. I do not know that the ordinary members of the government are at fault; I do not know who is at fault; but there are certain people in the government at the present time whom the Liberal government must discipline, who have to be given to understand that they are the servants of the people and not the masters; and the government might as well start on these gentlemen first, because I have the suspicion that the members of the party will go to work on them if the cabinet does not. As soon as the cabinet discovers who the men are who are trying to run this country and have made such a terrible mess of it, it will be able to decide to do something which will enable this dominion to have decent govern-

ment. People are simply crying out in anguish from coast to coast because of the things from which they are suffering.

Some hon. MEMBERS: Oh, oh.

Mr. BLACKMORE: I hear some hon. members saying "Oh, oh." Don't say "Oh, oh" too often. Remember what I have said. I could go to the reading room and bring back resolutions from three meetings in western Canada calling for secession from eastern Canada.

Mr. GRANT: You said that before the last election.

Mr. BLACKMORE: Some of these are going to say it and mean it as the American colonies did.

Mr. GRANT: You said that before the last election.

Mr. BLACKMORE: I do not know whether I said it before the last election or not. If I did, I meant it and there was plenty of reason for it. The point I wish to make is this: I fervently hope that the government will be defeated so that we can have some sort of chance to give this country democratic government.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I just bought two pairs of new glasses; I think I had better give you one pair of them. I am here, really I am, and I want to join in this debate for a number of reasons. My first reason is to try to review the actual situation that we are up against and perhaps take away some of the emotionalism which has characterized the debate up to the present time. I may say that I regret the statements made by my old and honourable friend, the member for Lethbridge (Mr. Blackmore), when he was talking about secession, because, although he did not use that word, that is exactly what he was talking about. That will not help the situation at the present time.

I wish to say something about railway rates, and may I first repeat what I said in this House of Commons the first year I was here? On many occasions I have acted for the railways professionally. Therefore I wish the house, in judging anything I may say, to take that fact into consideration. It may be said that I have some self-interest. At any rate, I wish to make it plain that I have had that connection. Perhaps I should add that I acted for the western coal people and the Alberta government in a rate-finding matter where I was opposed by both railways, so that I have had a bit of experience on both sides.

What is the history of rate-making in this dominion? We built these railways, and at

that time the railways charged exactly what they pleased for the freight services which they were rendering. From that time on, everything has been based upon the revenues derived from freight, while very little regard has been had to passenger service, including the hotels, which for a long time were regarded from the point of view of rate-making purposes largely as an advertising lead for the freight carrying business of the roads.

Then we built other railways and competition then limited the rates. And in every case where there was a dual service to any point it reduced those rates. But while that was done, no reductions were ever made in carrying freight to points where there was no competitive rail.

The next event of major importance was the opening of the Panama canal, which introduced into this subject the first major difference, and that was that rates were altered in order to meet water competition from eastern Canada through the canal and around to Vancouver. That was the second major event which took place.

The third thing that happened was the building of good roads in eastern Canada—I mean the middle east here—and then we had truck competition, which directly affected freight rates to points where this competition could operate by way of roads.

I mention these things for this reason, that when we start dealing with railway rates it is necessary to find out exactly what the present crazy-quilt structure is in connection with our present rates. I am not using that word in any derogatory or contemptuous way, because it is admitted by everybody that it is a crazy-quilt structure. In other words, there is no railway in the dominion today that can tell you how much it costs to haul a ton of goods from here to there. They cannot do so because the structure has not been built in that way.

On one occasion before the railway board, when Mr. Justice Fullerton was the chairman, we spent some time in endeavouring to find out what it cost to haul a ton of coal from Drumheller or Edmonton or Lethbridge to North Bay and to Toronto. In order to get someone who knew how that might be done, they imported a man who was known as a railway cost accountant. At that time there were only five on the continent and they were all employed by the interstate commerce commission. It was there they received their training because the interstate commerce commission had to a very large extent gone into a new system of trying to find out what costs were and then adding something for the operation. That must have been a dozen years ago

that I am speaking of, and to my knowledge nothing has ever been done to further studies which I consider necessary along lines of that description.

We now come to the present time. We find that the board of transport commissioners have sat, and to me it is a matter of great regret that they either did not deal with or were not permitted to deal with the question of equalization. I think anyone who wants to be fair will admit that, having regard to present conditions, the railways need more money to operate. Anyone who has not had his charges raised in ten years, granted that there was some reason in them at that time, must have, it seems obvious to me, more financial return to permit operations to be carried on.

I need only point to the Canadian National deficit. I do not know whether it was announced in the house, but I saw it in the newspapers within the last month or so. It is a very high figure—

Mr. CHEVRIER: Twenty-three millions.

Mr. SMITH (Calgary West): It proves that the railway which we ourselves own is certainly not operating at a profit and in fact has not enough revenue to allow it merely to break even. I have no intention of discussing that further, but we come to this position, and I have been a believer in this for a long time. Granted that they need this money, they do not need to get it all in one place, namely in the maritime provinces and western Canada.

What is the situation with respect to freight? I admit that this will be a puzzler to the board or to the government or to anyone else. While we have had an over-all increase of 21 per cent, I know perfectly well that in this part of Canada, where there is real truck competition, they will never get it. If they do, they will lose their business to the trucks. That is a simple economic statement which is absolutely true. I do not, of course, mean all the business. Some things do not lend themselves to movement by trucks. But trucks are growing. The other day I was on the road and I saw them carrying five or six motorcars each. At one time these cars were all carried by the railways in western Canada. I do not know whether it is true of the maritimes, but they are still carried out there by rail.

What does that mean? Let us assume that this over-all 21 per cent is the proper figure and that that is what is required to put these people on a healthy operating basis. It means that that sum which is necessary, or whatever portion of that sum may be raised, owing to real practical conditions, the practical problems of competition in transportation, will be paid by western Canada and by the maritime provinces.

I submit this therefore. I had no idea that this motion was to be moved or that there would be a debate, but I am firmly convinced that what we need is a complete overhauling of the structure, a complete change in the basis upon which it was built, which, of course, involves equalization between western and eastern rates.

I am not one of those who think, in fact I do not believe that anybody does think, the provinces of Ontario and Quebec are deliberately trying to bleed us. I do not think they are deliberately doing anything of the kind, but at the present moment that thought is entering into this situation. I have been down east a number of times and have been told by the people of Ontario that Ontario is the old milch cow and that we are still feeding on this milch cow. I have not heard that so much lately and I am glad I have not. I can refute it at any time. It is no problem at all.

I well remember working in a law office as a student in the years 1907, 1908 and 1909. I was a final year student. I was paid the magnificent or munificent sum of $25 a month, which is not quite as much as is received by the miners about whom the hon. member for Cape Breton South (Mr. Gillis) is so greatly worried. All I did then was to make out mortgages on land, 90 per cent of them on farm land. I never drew a mortgage in the hundreds and hundreds which I wrote—we could not typewrite them under the law, in those days; they had to be written by hand, those private portions—nor did I see one at less than eight per cent; and I drew many at nine per cent. Then we had tough times in western Canada. We had foreclosures and all that sort of thing.

In eastern Canada the comparable interest rate for the kind of loan I am speaking of was five per cent and not above six per cent. In other words, there was at least a two per cent or three per cent differential. The answer that was given was a sound one. It was that this is new country, the risk is greater; therefore the principle of the larger return applies on account of that risk. What happened? The west paid its interest for a long time and paid it at eight per cent and at nine per cent. Then we had drought and trouble, and we did not get our crops; so we had foreclosures and so on. Then we were told about the tremendous losses made by the eastern loan companies because they had been foolish enough to lend their money in western Canada. Mr. Speaker, they never lost a cent in the aggregate. If, when going into a risky venture they would

make the ordinary business move that a cobbler become a shoemaker would make, they would set up a reserve. If there were more risks, he would set up his reserve. And if that reserve, on the differential in the interest rate, had been set up as it should have been, instead of being put into large buildings and investments of one kind or another, the people who lent money in western Canada on real estate would not have been out one five-cent piece. So we are not so hard on the old milch cow as some people in this eastern part of the country seem to think.

Mr. HOMUTH: The old cow does not object.

Mr. SMITH (Calgary West): I think I made a remark once before and used the wrong word. But any cows I have known had only four good udders. I think the people in the country here have kept at those four pretty well and we have been left with decoys.

Mr. MANROSS: That is "moosic" of an udder kind.

Mr. SMITH (Calgary West): I now turn to an anomaly which has arisen, and which I think is simply crying out for a remedy. I shall refer to Fort William, and this is in May, 1945; that is the date of this little pamphlet I have in my hand. The differential is given there. For example, the standard rate for first-class freight east of Fort William-Port Arthur is fifty-eight cents for carrying 100 pounds 100 miles. West of Fort William the first-class rate is sixty-five cents for the same thing. Then we have a tapering off of the rate. In the east it tapers a good deal faster and the percentage is much higher than the tapering of the rate west of there. It is not so much west of Fort William that the railways have their difficulties and lose their money. It is going around the north shore of lake Superior where there is no freight accumulating and no additional freight burden is given to the railways that go through that rocky country. While it is true that the country is rocky, it is now showing something in the way of metals.

To my hon. friends from British Columbia who think they are the people who are being gored at the present time with respect to their mountain differential and so on, I want to give a few figures which they can contemplate over the evening or any other time they wish. This is because of competition of water-borne traffic. As I say, I am speaking of the year 1945, but I certainly have not seen anything in the newspapers to indicate any change at all in connection with the figures I am using. We will take a number of commodities as examples, as they are given in this pamphlet, with the rates:

Commodity	Montreal-Vancouver	Montreal-Calgary
Calcium phosphate	$0.75	$2.34½
Ammonia	1.25	2.33½
Glassware	1.34	1.98
Window glass	1.00	1.98
Paint and varnish	1.25	1.98
Barbed wire	.75	1.98
Hardware and tools ...	1.25	1.98

The rates are also given for boots and shoes, iron pipe, structural steel, cotton dry goods and canned goods, so I am not talking about strange articles that get on a train once in a while; I am talking about commodities which are in everyday use. I would ask hon. members to remember this. For certain points in Alberta you can ship into Vancouver and back again at a lower rate than you can ship direct. The town of Holden is one place I have in mind, which town is sixty miles from Edmonton; and I have the exact figures here if anyone is interested in them.

I talked in the beginning about the introduction of some new principle in our freight rate structure. I want to say that in the United States of America there is a case dealing with the rates. I have forgotten the name of it, but it is known generally as the Spokane rates case. The Spokane case decided one thing, and I think this might well be adopted as a principle in any new rate structure which we may have. That case decided, and it is the law in the United States, that you cannot on the same line of railway charge a lesser sum for the long haul than you do at any point on that line. That seems to me to be a sensible decision and would do a great deal indeed to get us out of our present predicament. It seems to me the adoption of that principle is something which should be considered by whatever body may be dealing with this matter.

I do not think it is sufficient to have an accident of geography govern in the matter. You have a flat plain here, we will say, where you can build roads. I shall give you another example. Edmonton is about the same distance from Drumheller as it is from Cadomin. You go west out of Edmonton to Edson, and you go down what we call the coal branch to Cadomin. The other way is the direct line. As a matter of fact, from Edmonton you go east to Tofield and down to Drumheller. But between Edson and Cadomin you are there in the mountains and there is no road whatever to Drumheller; from Edmonton there is a good highway. I took the matter up. I am sorry the hon. member for Cape Breton South

has left the chamber, because I want him to know that I have tried to do something for the miners. The people in Cadomin thought that the rate situation was affecting their cost of living, as it was. We took a tub of ice cream as a sample. I went to the freight people of the railroad and found out the difference. I am not going to give the figures from memory, but the difference was considerable; in fact I think the one rate was almost double for the same haul. I asked why this should be; and to prove that I have not been talking nonsense about how the rate structure is made, they told me it was because of the truck competition between Edmonton and Drumheller.

It does seem to me that in this country we should not have a rate structure built on such shifting sands, such changeable conditions as I have outlined. Now the government of Alberta is building that road, and of course the freight and package rates will drop right down, so that eventually I am quite sure we shall have a position similar to what we would have if we were shipping to Drumheller, let us say.

What is the answer to this whole problem? I repeat that I do not think we can expect the railways to carry on when for the last ten years they have had no increase in their rates.

Mr. CHEVRIER: Not since 1920.

Mr. SMITH (Calgary West): Then it is much longer than I said. I do not think in this House of Commons we are the kind of people who would say they just must do this. Wages and all other costs are rising. I do not want to speak of wages only, though I did notice that if he was correctly reported in the newspapers Mr. Mosher said the increase was not enough because the men are at present seeking an increase, and I know a board has been sitting in Montreal dealing with that very matter. Mr. Mosher said the increase was not sufficient to give the men the additional wages to which they thought they were entitled. We cannot just brush off these things. I can see that the minister has a tough problem, and I do not know how he is going to deal with it. I am afraid I have not been a great deal of help, though I have tried to discuss the matter fairly and without pointing at or naming anyone else. But I do say there is not much use in monkeying with the rates, allowing or refusing increases, without at the same time ironing out the inequalities which exist. Someone may say, what about the provinces of Ontario and Quebec, which took no part before this board in those proceedings which were a boon to my profession; if I had not been in the House of Commons I might have been in them myself? As I say, however, that is a situation which really needs to be remedied.

But supposing we refuse this application today. What will it mean? We are going to pay the Canadian National deficit anyway. We are paying $23,000,000 for this year, one of the biggest years they have ever known. If they do not get more revenue from the people with whom they deal and for whom they transport goods we shall have to pay the difference from the taxes of the people of Canada. It is just as plain as that; there can be no doubt whatever about it.

Then what should we do? I agree with much that has already been said, particularly the remarks of the hon. member for Lethbridge. I do not consider it fair to the people, nor do I consider it fair to the board of transport commissioners themselves, that they should be asked to accept the directive which has been issued. I know some of those men; in fact the chairman is a distant relative by marriage. I know that a person sitting in a judicial position, who appreciates the responsibilities that position carries, does not want to be placed in a position where he might be even suspected of reviewing something he has already done. That just does not belong in the administration of justice, or the administration of law if some people like that word better.

In my opinion our great and main problem is equalization, though I find it very difficult to see that we in the west will be helped substantially when you get to the end of that road, when I know, or at least I think I know, that if the railway companies meet truck competition here in the east they will have to do so at a lower rate than whatever horizontal advance may be permitted in the general rates. As I have said, I appreciate that it is a difficult problem, but I am going to go farther and say I think it is a responsibility the government must assume. More than that, it is a responsibility this House of Commons must assume. While some of us come from one part of the country and others come from another, I think this house can shake off sectionalism in a matter of this kind. Surely we do not want to buy votes in the places where we live because we are helping people purely in a financial way, while on the other hand we realize that some increase may be necessary. This may mean the profit making, if you like, and the better operation of our railways; and heaven knows they are far enough behind now. For example, in passenger service they do not even compare with the trains across the line. But

surely we can say we believe this is right. Did it ever occur to anyone in this house to think what would happen to the economy of this country if both the Canadian Pacific and the Canadian National went broke? Let us not blind ourselves to the real situation.

As I said, equalization is the main problem. I know we in the west and you in the maritimes are carrying too much of the load now; and I know if we do not have equalization, when this is over we shall be carrying not only more of the load but a greater percentage of the load, which is utterly unfair. I am not going to secede with my good friend the hon. member for Lethbridge; but, though I hate superlatives, I say I think the equalization of freight rates is one of the most urgent matters to be undertaken in this country. If they are equal, who can complain? If they are discriminatory, as they are now, they sow disunity; and as the hon. member for Lethbridge said, disunity is growing in the part of the country from which we come.

Mr. KARL HOMUTH (Waterloo South): Mr. Speaker—

Some hon. MEMBERS: Question.

Mr. HOMUTH: Don't get in too great a rush. I agree wholeheartedly with what has been said by my colleague the hon. member for Calgary West (Mr. Smith); and in his summation of the situation I think he has left no doubt in the minds of hon. members of this house as to where our party stands with respect to the question of freight rates. Let me reiterate what I said the other day, that the responsibility for the elimination of discrimination in freight rates rests with the government, or with this house if you like that better; after all, the government is pretty well the house, and we must accept that fact. Here we have a board set up to hear a certain case. It is in the position of a judge, a tribunal to hear arguments for and against a certain matter. Let me repeat what I said the other day, that the best accountants and the best legal minds in the various provinces were chosen to place this question before that tribunal. They did so. As a result of what they brought forth, the board made a decision.

Members in the house from various sections of the country, east and west, have seen fit to take Ontario and Quebec to task because those provinces were not represented at the hearings. I would say that if those governments had had anything at stake in the hearings they would have been represented.

Mr. ISNOR: Would the hon. member—

[Mr. Smith (Calgary West).]

Mr. HOMUTH: Let me say to the hon. member from Nova Scotia that the people there felt they had something at stake, with the result that they were represented. Ontario and Quebec, on the other hand, were not. But the fact of their attitude and the further fact that they were not represented do not mean that the people of Ontario and Quebec are less union-minded than the people in other provinces. We are just as much interested in this national union as any people could be.

I look back over the years and I can remember various situations which developed where help was needed either in the east or in the west. Never once in the years I have sat in the House of Commons have I heard a member from Ontario or Quebec deny to the other provinces of Canada anything we thought was in the best interests of the country. Never have I heard a member from Ontario or Quebec in the days of depression say we should not have done this or have done that for the wheat farmers in the drought areas of western Canada.

I have found that in the House of Commons members have been willing to bury their differences, so far as geographical position was concerned; I have found they have been only too willing to do anything which would unite more solidly than ever the various provinces. So I say, when hon. members criticize the two central provinces they are doing something to create national disunity rather than to build unity in Canada.

Let us deal with the problem in a big and broad way, considering what is best and in the interests of the country. Again I say: Certainly there are discriminatory rates. I have no hesitation in saying I do not think a man who lives in Lethbridge, Regina or Edmonton should have to pay $200 or $250 more for a Chevrolet than I pay for one in Ontario.

Mr. BLACKMORE: That is the way to talk.

Mr. HOMUTH: I have no hesitation in saying that perhaps the burden is not proportionately distributed across the country. But that was not the question placed before the board of transport commissioners. The question they had to decide was: Do the railways need more money in order to carry on? Their judgment was that those railways needed 21 per cent more.

The question of discrimination is one of government policy. The other day the Minister of Transport (Mr. Chevrier) said the board was a creature of parliament. It is a creature of the government which appointed it—the

present government. It is not a creature of parliament at all. I say it is the creature of the majority of members in parliament, the majority which constitutes the government of the day. If the government is not prepared to bring in legislation such as would eliminate this discrimination in freight rates, then surely we cannot blame the board of transport commissioners or the provinces of Ontario or Quebec. We must place the blame where it belongs, and that is on the government. They are the ones who should amend the Railway Act, so that this discrimination will be ended, so that a proper share of the burden of freight rates will be distributed across the whole country, and so that the per capita responsibility in respect of freight rates will be better equalized.

When I read the amendment offered by the leader of the C.C.F. (Mr. Coldwell) I agree with my colleague the hon. member for Calgary West when he says that we cannot say to the board, after those months and months of careful consideration, and after all the money and time that have been spent in placing the facts before it, "You must reconsider your decision. The government is now going to take the power to say that the decision shall not come into force." Surely we would look ridiculous if we were to do anything like that, particularly when, as the minister has said, the board is the creature of parliament or, as I say, of the government.

But the government has every right to say, "We will reconsider the Railway Act; we will reconsider the question of the equalization of freight rates, and their equal distribution across the country." If the government does that I think we shall have brought to an end this unfortunate situation in which we find men from the maritimes and the west attacking the two central provinces, and leaving the impression across the country that the two central provinces are milking the rest of the country in the matter of freight rates.

This question is not the responsibility of the central provinces at all. They do not make the rates, nor do they appoint the board of transport commissioners. It just happens that Ontario and Quebec are situated as they are, and that the question of freight rates is one entirely within federal jurisdiction and one over which the provinces have no control.

On motion of Mr. Homuth the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. GRAYDON: What is the business for tomorrow?

Mr. ST. LAURENT: Tomorrow we shall take up second reading of Bill No. 195 concerning the investigation, conciliation and settlement of industrial disputes. Following that, we shall take second reading of Bill No. 196, to amend the War Veterans Allowance Act; then the resolution standing in the name of the Secretary of State for the introduction of a bill to amend the elections act. Following that, we shall consider the resolution standing in the name of the Minister of Trade and Commerce, having for its purpose the introduction of a bill to amend the Export Credits Insurance Act, and the order in the name of the Minister of Trade and Commerce for the second reading of Bill No. 138, to amend the Export and Import Permits Act.

Mr. COLDWELL: When will this debate be resumed?

Mr. ST. LAURENT: We shall now have to consider what would be the convenient time to resume this debate. Of course the debate on external affairs cannot go on until this debate has been disposed of.

Mr. COLDWELL: I understand that, and I regret it.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 8, 1948

The house met at three o'clock.

PRIVILEGE

MR. KNOWLES—PRICES CHARGED BY KING'S PRINTER FOR REPRINTS OF MEMBERS' SPEECHES

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, on a question of privilege, a few weeks ago I placed with the king's printer an order for 4,000 copies of a twelve-page *Hansard* reprint. Before doing so I consulted the schedule of rates for reprints furnished to members of parliament over the signature of the king's printer under date of December 1, 1947. From that schedule I learned that my order would cost $46.

Mr. MacKINNON: Cheap.

An hon. MEMBER: Too much money.

An hon. MEMBER: It was not worth it.

Mr. KNOWLES: The replies I am getting from those to whom I sent the speech indicate that it was worth much more. However, under date of April 2, I received a bill from the king's printer for this order in the amount of $62.72.

Mr. MITCHELL: Hear, hear.

Some hon. MEMBERS: Hear, hear.

Mr. KNOWLES: I am glad to note that the increased value of my speech is recognized. When I complained about this increase, Mr. Speaker, I was told to look at the statement made in the House of Commons on February 25 by the Secretary of State. The relevant sentence is this, as it appears at page 1610 of *Hansard*:

> Parliament has left it to the king's printer, under the provisions of the Printing and Stationery Act, to set such charges as he deems necessary to meet the cost of printing members' orders for reprints of speeches contained in *Hansard*.

Mr. McCANN: So what?

Mr. KNOWLES: The king's printer had fixed these charges and furnished to members a printed card setting out the rates. No revision of the rates has since been furnished to us, and I contend that it is high-handed of the king's printer to act in this way.

EXCHANGE OF NOTES

CANADA-UNITED STATES—LAND LINE COMMUNICATIONS BETWEEN EDMONTON AND FAIRBANKS

Right Hon. C. D. HOWE (Minister of Trade and Commerce): I desire to lay on the table exchange of notes between Canada and the United States of America constituting an agreement concerning the operation and maintenance of the land line communications system between Edmonton, Alberta and Fairbanks, Alaska.

PRICES

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

> That the name of Mr. Thatcher be substituted for that of Mr. MacInnis on the special committee on prices.

Motion agreed to.

FREIGHT RATES

FEED GRAIN—EXTENSION OF PROVISION FOR PAYMENT OF FREIGHT EAST FROM FORT WILLIAM

On the orders of the day:

Mr. J. L. DOUGLAS (Queens): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Does the government intend to pay freight on feed grains east from Fort William beyond July 31, 1948?

Right Hon. J. G. GARDINER (Minister of Agriculture): The government has decided to extend, from July 31, 1948, to July 31, 1949, the period over which the terms of the order in council apply, providing for the payment of freight on feed grain east from Fort William.

INCREASES ORDERED BY TRANSPORT BOARD—OUT-OF-LINE AND BACK HAULS

Mr. R. R. KNIGHT (Saskatoon City): I wish to ask a question of the Minister of Transport. I sent him notice of it, together with a copy of a telegram on which the question is based. Is it correct that the railways are interpreting the order to increase freight rates as covering what are technically known as stop-off, out-of-line and back hauls? If so, does the minister agree with such interpretation?

Hon. LIONEL CHEVRIER (Minister of Transport): I thank the hon. gentleman for having sent me a copy of the telegram which he received from the commissioner of the Saskatoon board of trade. I received a similar telegram. With reference to what are known as stop-offs, these are not freight rates. They are services which were specifically covered in the application made by the railways to the board and which are specifically mentioned in the order of the board. So far as out-of-line and back hauls are concerned, the question whether the prohibition against increasing rates on grain would apply to back hauls on grain would appear to be a matter of clarification or interpretation by the board, and I am so advising the commissioner of the Saskatoon board of trade. I am informing him that if he wishes to make application I shall facilitate it for him.

The second question was: Does the minister agree with such interpretation? The answer is that since this is a matter for clarification or interpretation by the board, the minister does not express an opinion.

LABOUR CONDITIONS

DEEPSEA SHIPOWNERS AND DECK, ENGINEERING AND WIRELESS OPERATORS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, may I be permitted to address a question to the Minister of Labour? It arises out of a telegram received from the merchants service guild, communications association, Halifax, Nova Scotia, and it has to do with officers and other personnel who were affected by the strike with the Canadian shipping companies. Has the minister been advised that they have accepted the McNiven report as a basis for settlement of the strike, with the proviso that the officers affected will be returned to the posts they held previous to the strike? Can the minister inform the house whether his department has any statement to make in that connection?

Hon. HUMPHREY MITCHELL (Minister of Labour): Similar inquiries having been made of myself by the hon. member for Vancouver North (Mr. Sinclair), the senior member for Halifax (Mr. Isnor) and the junior member for Halifax (Mr. Dickey), I would say that the official position has not changed from that outlined in my statement appearing on pages 2668-9 and 2670 of the House of Commons debates of April 6, 1948. That is to say, no settlement of a general nature has been made.

[Mr. Knight.]

Agreements have been consummated between the Federal Commerce and Navigation Company Limited and the Elder-Dempster Company Limited, and the three unions involved in the strike, and the ships of these two companies are sailing. In both cases the companies have agreed to implement Mr. Justice McNiven's recommendations in full, and in the case of the first-named company have agreed to arbitrate two points in dispute. In the case of the second-named company, the arrangement is the same except that the two points will be dealt with at a conference between the employers and the unions.

Telegrams were received yesterday and this morning which indicate that the parties are in direct negotiation, on both the west and the east coasts, and we are hoping for a clarification which may lead to a settlement of the entire dispute within a few days. We have proposed that agreements when made provide that officers will be re-employed without discrimination.

POSTAL SERVICE

INQUIRY AS TO PARCELS TO PALESTINE

On the orders of the day:

Hon. ERNEST BERTRAND (Postmaster General): Yesterday the hon. member for Regina City (Mr. Probe) asked me a question concerning the mail service to Palestine, and I said I would reply today.

The parcel post service from Canada to Palestine was suspended last February following information received from the British postal service through which this mail service operates. However, gift parcels intended for members of the British armed forces in Palestine and the Palestine police force may still be mailed. Last month it was found necessary to suspend all remaining mail services by surface route to Palestine. Air mail service will be continued for the present.

The air mail service between the United States and Palestine is the only service in operation.

WHEAT

CANADIAN WHEAT BOARD ACT AMENDMENT—QUESTION AS TO EXTENSION TO OATS AND BARLEY

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Will the minister inform the house whether the government has approached any provincial government with a view to having enabling provincial legislation to make effective clause 29 of part IVA of Bill No. 135?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, the answer is no.

Mr. BENTLEY: Just what I thought.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT ORDERS

The house resumed from Wednesday, April 7, consideration of the motion of Mr. St. Laurent (for the Prime Minister):

That, notwithstanding any other order passed by the house in relation thereto, on and after Wednesday, the 7th of April and every day thereafter until otherwise ordered during the present session, government notices of motions and government orders shall have precedence over all other business except the introduction of bills, questions by members and notices of motions for the production of papers, and from 8 to 9 p.m. on Fridays, private bills.

And the amendment thereto of Mr. Coldwell.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, it became apparent yesterday, when this motion was moved, that a large number of members of the house desired that there be some time available for the consideration of public and private bills. The hon. member for Rosetown-Biggar (Mr. Coldwell) moved, in amendment to the motion which is on the order paper, that Tuesdays and Fridays from 8 to 9 p.m. be devoted to these bills, but he also moved at the same time that the order of priority provided for by standing order 15 be reversed. I think that would mean that there would be no time for the consideration of private bills during this session, and though no one has any special interest in private bills, the standing orders do provide that they may be introduced in the expectation that they will get consideration, and to some of us it would seem to be unfair to do something which would shut them out at this time.

It may be that standing order 15 should not be in the form in which it is, but that, it seems to us, is something which should be considered not as a temporary provision for this session. Rather, it should be considered by Mr. Speaker's committee to revise the general rules; and if that change were made in the standing order, giving priority to public bills over private bills, it would be known to the public and those making applications for private bills would be aware of the risk they were taking.

I would like therefore to suggest that there be these two hours on Tuesdays and Fridays for these bills but that they be considered in the order which is provided by standing order 15.

My attention has been called to the fact that this is the fifty-eighth day of the session and that a similar order was made in this house last year on the fifty-ninth day of the session. There is no desire on the part of anyone to minimize the importance or the interest of the other matters placed on the order paper by private members, whether they sit in the front benches or in the back benches. That makes no difference to their rights in this house or to the consideration that should be given to their desires. But there is on the order paper a large volume of important public business which we feel it will be the desire of most hon. members of the house to have considered. For instance, this afternoon there is the bill to amend the industrial relations act, and the bill to amend the act providing for allowances to veterans. These are matters which I am sure rank in importance with any that can be placed upon the order paper. I hope therefore that members of the house will be agreeable to accepting the amendment proposed by the hon. member for Rosetown-Biggar to strike out the words "the former having precedence" —that is to say, giving precedence to public bills over private bills—and substitute the words "in accordance with standing order 15," which would leave the priority as established by the general rule.

It may be, though the indications at the present time do not appear to be any too hopeful, that such progress will be made with the public legislation as to allow, at some later date, other arrangements to be made. But hon. members will realize that we have not yet started on the consideration of the estimates. While we made a move yesterday to make a start in that direction, there is a matter of considerable importance which will have to be discussed and disposed of before the house can go into committee to consider the estimates. I hope that this may be regarded as a sincere effort to meet the desires of members of the house generally that there be some time for consideration of public and private bills that are on the order paper, and that public bills be not in such position that discussion on them would shut out any consideration of private bills. There is one private bill which has already been before the house on two or three occasions and on which there has been, I think, a fairly full debate. Hon. members say that they wish these matters to be brought before the house not merely for the purpose of providing an opportunity for making speeches about them, but for the purpose of getting the decision of the house with regard to them. I would hope that there would be no desire, under a rule of this kind, to talk out any of these bills, but rather that they be

allowed to go along in the regular course and get to the stage where there can be a decision upon them. For the purpose of making that possible, I would ask my colleague to move, in amendment to the amendment of the hon. member for Rosetown-Biggar, that the words "the former having precedence" be struck out and that they be replaced by the words "in accordance with standing order 15."

Mr. ILSLEY: I so move, Mr. Speaker.

Mr. ST. LAURENT: I may point out that the amendment proposed by the hon. member for Rosetown-Biggar is at page 2721 of *Hansard*.

Mr. SPEAKER: I would call the attention of the house to the fact that in the main motion which was introduced yesterday, these words appear:

> Notwithstanding any order passed by the house in relation thereto, on and after Wednesday the 7th of April . . .

That will have to be changed.

Mr. St. Laurent moves, seconded by Mr. Ilsley, that the amendment be amended by striking out the words "the former having precedence" and substituting therefor the words "in accordance with standing order 15". The question is on the amendment to the amendment.

Mr. M. J. COLDWELL (Rosetown-Biggar): Just before you put the amendment to the amendment, Mr. Speaker, as mover of the amendment may I say that the government has met the purpose of the amendment at least in part, and to that extent I think it is satisfactory. I wish to point out to the leader of the house that certain of the standing orders have been set aside this session, and while standing order 15 does give precedence to private bills, that is no reason why it should not be set aside again.

I am going to suggest still another variation. We now have the two hours for private and public bills, one on Tuesday and one on Friday. I am going to suggest that we give one of those days to private bills and the other to public bills—say, on Tuesday, private bills and on Friday, public bills. I cannot see why private bills should have complete preference over public bills. As I say, the house has varied the standing order considerably this session, and I do not think there should be any objection to varying it to this extent in order to give hon. gentlemen who are interested in public bills an opportunity of proceeding with them forthwith.

Mr. JAMES SINCLAIR (Vancouver North): I should like to say a word or two on this matter, Mr. Speaker. The Secretary of State for External Affairs (Mr. St. Laurent) mentioned the fact that if public bills preceded private bills, as is suggested in the amendment of the hon. member for Rosetown-Biggar (Mr. Coldwell), there would be no opportunity in fact for private bills to be discussed. Those are his own words. My obvious answer to that is that if private bills precede public bills, then there is equally no opportunity for the discussion of public bills.

The second point was that when the sponsors of these private bills presented them to parliament they expected that the bills would be discussed and voted upon. May I say to him through you, Mr. Speaker, that when I introduced my public bill I expected that it would be debated and voted on; and I am quite sure the other sponsors of public bills had the same expectation. I had always understood, in my own political philosophy, that the general interest came before special privilege. If private bills and the interests of private corporations and individuals are placed ahead of public bills, I certainly do not think that principle has been followed out.

I agree, however, that some compromise should be effected. The present situation is that there may be, at tag end of either of those two evenings which have been referred to, five minutes left over, in which case somebody might be able to speak for a few minutes on a public bill; but the debate, if any at all, would be a series of tag ends. So far, with regard to private bills, we have had all the time taken on just one, with little expectation of that debate being closed. Therefore I suggest, as the very least sort of compromise, that the suggestion made by the hon. member for Rosetown-Biggar be adopted and that at least on one occasion in the week public bills and members' resolutions have precedence over private bills.

Mr. GORDON GRAYDON (Peel): I am amazed, Mr. Speaker, at the stand taken by the hon. member for Vancouver North (Mr. Sinclair), because I think he is settling for less than he should settle for if he is anxious to get his legislation before the house.

Mr. SINCLAIR: I certainly am anxious to get it before the house.

Mr. GRAYDON: All right, then; I think the hon. member ought to have stood out a little more strongly against the government with respect to the amount of time he would require.

I want to make clear our position with respect to this matter. Everyone seems to have overlooked the fact that on the order paper there are other things than public and

private bills. There are thirty-five private members' resolutions, many of them dealing with major points, to be debated and brought before the government. We are rapidly reaching the position of piling precedent upon precedent, and that is what alarms me. I do not want to be rising in the house day after day quibbling over small matters—

Some hon. MEMBERS: Oh, oh.

Mr. GRAYDON: Oh, yes; anything coming from here of course has not the magnitude it would have coming from the intelligentsia over in that corner, but I am glad to know you assess your worth at least somewhat higher than some other people do.

This is more than simply a question of what we are going to do for the rest of this session. If we keep on with this procedure session after session, with a wartime complex being carefully carried year after year into the peacetime period, we are going to reach the point where someone will say: Well, the days of private members' notices of motion may as well be forgotten, because they are only gathering cobwebs on the order paper as things stand.

The hon. member for Rosetown-Biggar has made one constructive suggestion. I think it is constructive because I was going to make it myself, and I suppose it is only natural for one to feel that his suggestion is a little more constructive than that of the other fellow. Now, however, we are to have all the private bills put ahead of everything else for two hours, under the government's motion. To my way of thinking that is not right. On the other hand we have the amendment moved by the hon. member for Rosetown-Biggar yesterday under which public bills would be considered to the exclusion of all private bills. Neither should have the monopoly, as the hon. member for Vancouver North said. There should be a fair division of the time in that respect. I would be in favour of asking the government to make that change, because at least that would be something.

What was said by the Secretary of State for External Affairs (Mr. St. Laurent) is quite true; this is the fifty-eighth day of the session. We have sat something like three hundred hours since this session of parliament opened. Now, though private members have not had any opportunity worth speaking of to do anything in those three hundred hours, at this stage of the session—and this is what I want to point out to the hon. member for Vancouver North—we are giving up nine hours a week, I say without enough protest, for a measly one hour on Tuesday evening. That is not good enough. We cannot afford to play around with this business and not make a strong protest with respect to the position of the government.

I want to make it clear that I still think our suggestion of yesterday, that right of way be given for a week or two to urgent government business, is good; but then let us take a couple of weeks or longer, if necessary, during which we may have our Mondays and our Wednesdays to deal with these matters which are so important from the point of view of private members. I protest against people taking this so easily and being willing to settle for one hour a week instead of nine hours. Either this is a principle worth fighting for or it is a principle not worth discussing.

I realize that probably the best the government will do is to give us one hour a week. On the basis that half a loaf is better than no bread we may have to accept that; but if they are going to leave the resolution as it now stands, with this subamendment, I am afraid we shall have to vote against it. It is not good enough if it leaves out public bills altogether, or if it gives no consideration at all to notices of motion. I want to say to you, Mr. Speaker, with all the effectiveness I can summon, that the government should alter the motion along the lines I have suggested.

Mr. SINCLAIR: I rise to a question of privilege, Mr. Speaker, because of the inference just left by the acting leader of the opposition (Mr. Graydon) that my opposition to this motion has lessened because I concurred in the suggestion of the hon. member for Rosetown-Biggar. I can assure the hon. gentleman that my opposition has not lessened, but I am supporting a practical amendment, which is more than the hon. gentleman put forward yesterday. He put forward nothing but suggestions, and now, after criticizing me, in the next breath he goes on to say that he is going to support the position taken by the government.

Mr. GRAYDON: On a question of privilege, Mr. Speaker, I did not say I was supporting the motion brought in by the minister. I told the house I was voting against it.

Mr. ST. LAURENT: In spite of these questions of privilege, Mr. Speaker, I hope we may come to a unanimous decision on the best way to serve our respective constituents with the time that remains at our disposal. If that can be achieved by accepting the suggestion of the hon. member for Rosetown-Biggar, concurred in by the hon. member for Peel, I would ask that the subamendment now before you be withdrawn and that it be replaced by one which would read in this way—and I think I carry out the suggestion of the hon. member

for Rosetown-Biggar: by adding thereto the following words, "on Tuesday, and the latter having precedence on Friday." That would make the order read as desired by the hon. member for Rosetown-Biggar. It would provide for the consideration of public and private bills on Tuesday and Friday, the former having precedence on Tuesday and the latter having precedence on Friday.

Mr. COLDWELL: That is all right.

Mr. GRAYDON: That is, private bills on Friday?

Mr. ST. LAURENT: Public bills would have precedence on Tuesday and private bills would have precedence on Friday.

Mr. GRAYDON: Does that mean we are to leave out completely any reference to notices of motions by private members?

Mr. ST. LAURENT: I did not want to make this statement, but I do not think the hon. member for Peel has been left out of very much. I had a tabulation made showing how the time of this house has been occupied up to the present time. So far 1,522 columns of *Hansard* have been taken by members of the party of the hon. member for Peel, while 1,148 columns have been taken by members on this side of the house. That is to say, 125 members have taken 1,148 columns and 66 members have taken 1,522 columns. The C.C.F. members have taken 858 columns. I am not complaining about that, but I am just bringing to the attention of the house the way the time has been occupied. I am not suggesting that it has been wasted, or that anyone has taken more than he should. I am sure every hon. member who spoke felt that it was desirable for him to do so in order to carry out his mandate from his constituents. But I hope that since we have had these discussions on many of these public issues, the actual business that has to be disposed of before prorogation can come about will not take as much time, and a little later on there may be opportunity to make provision for bringing in these notices of motions, which are very important but which after all do not result in legislation but merely in expressions of opinion.

Mr. GRAYDON: I would ask the government to give us some assurance that as the session progresses we shall again have an opportunity of debating this question, and, before the session ends, again opening up the two days to private members. I am not satisfied with the present arrangement, and I do not think it meets with the approval of the house, even though temporarily, for a few weeks, we may have to accept it.

[Mr. St. Laurent.]

Mr. ST. LAURENT: The suggestion of the hon. member for Peel can be discussed on any of the days when we are going into supply, and will receive consideration in the light of the development of the work of parliament at the time the question is raised.

Mr. KNOWLES: About the fifth of August.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion, and to give permission to the right hon. minister to withdraw his amendment?

Some hon. MEMBERS: Agreed.

Mr. SPEAKER: The Secretary of State for External Affairs, seconded by the Minister of Justice, has moved that the amendment be amended by adding thereto the following words: "On Tuesday, and the latter having precedence on Friday".

Mr. CHURCH: When this motion is passed will it rule out any discussion of the railway rates situation? We should have an opportunity to discuss that.

Mr. ST. LAURENT: No.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. GRAYDON: As a protest, it is carried on division only.

Mr. KNOWLES: Put it again as amended.

Mr. CHEVRIER: Do you want that recorded in *Hansard*?

Mr. GRAYDON: Yes.

Mr. CHEVRIER: It will be.

Mr. SPEAKER: The motion remains—

Mr. KNOWLES: Put it.

Mr. SPEAKER: —as amended. Is it the pleasure of the house to carry the main motion as amended?

Some hon. MEMBERS: Carried.

Mr. GRAYDON: On division.

Motion as amended agreed to on division.

INDUSTRIAL RELATIONS

INVESTIGATION, CONCILIATION AND SETTLEMENT OF INDUSTRIAL DISPUTES

Hon. HUMPHREY MITCHELL (Minister of Labour) moved the second reading of Bill No. 195, to provide for the investigation, conciliation and settlement of industrial disputes.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to say only a few words before the bill is given second reading. The

principle and purpose of the bill is to lay down procedure for the resolving of industrial disputes, and as a means of fulfilling that purpose I would say the bill is timely. If, however, we are to enact a measure of this kind, and if it is to receive the support of employers and employees and the community, the measure as finally passed must be justly and equitably administered. I mention that because in my opinion labour legislation now on the statute books is not equitably administered as between employers and employees.

The principle of the bill is that every employee has a right to be a member of a trade union and to participate in the activities thereof, and that every employer has the right to be a member of an employers organization and to participate in the activities thereof. No exception is made for any reason whatsoever, once an employees organization is certified as the bargaining agency. I understand that the law as it stands at present provides that an organization can be certified after a vote has been taken to determine whether the majority of the employees in that organization want the organization to act as its bargaining agency.

I would draw the attention of the house to the fact that in connection with the Canadian seamen's union, a vote was taken among the employees of the Sarnia Steamship Company and the Colonial Steamship Company and, if my recollection serves me aright, the vote carried, ninety-three per cent of the employees voting for the union. Yet these companies have refused to bargain collectively with their employees. Another steamship company, according to my information, has refused the Department of Labour the right to take a vote of the employees of that company.

This legislation can be effective only if it is administered without fear or favour, whether it be workers or employers who are concerned. There is no other way in which we can have law and order, in this or indeed in any other country. As I said the other evening, I am afraid the government is paying too much attention to representations made to it by employers organizations, and is not administering the law equitably in this country.

Mr. MITCHELL: I deny that, without equivocation.

Mr. MacINNIS: The Minister of Labour will have an opportunity to explain what has happened in the cases I have mentioned, and what action has been taken against those employers. My contention stands or falls on the explanation he gives the house in respect of those cases. If the explanation is satisfactory, then I believe the minister knows me well enough to realize that I will withdraw anything that would reflect either on him or his department.

When I spoke during the resolution stage I said I was receiving resolutions from employers organizations such as chambers of commerce and boards of trade giving advice to the government in regard to labour legislation. I have before me a copy of a telegram said to have been sent by the Vancouver board of trade to the Prime Minister (Mr. Mackenzie King), the Minister of Transport (Mr. Chevrier), the Secretary of State (Mr. Gibson) —all of Ottawa—and to other individuals in British Columbia. I shall not read the whole of the telegram, but the part I shall read will be sufficient to direct attention to the point I am making. It states in part:

> Further to Vancouver board of trade's recent letter recommending that federal and provincial governments co-operate to debar communists from holding office in labour unions in Canada . . .

That is not the full sentence, but as the rest of it does not matter I am abbreviating it in order to save time. I do not know exactly what it means. Is the government being asked to co-operate with the employers in order to prevent communists from holding office in labour unions in Canada? That is what it appears to me to mean. At the proper time I shall make my position clear with regard to the communist party of Canada and the Labour Progressive party, which is the communist party under another name. When I do that I shall not leave anyone in doubt as to where I stand in regard to those parties.

I suggest that if the government and employers are going to co-operate in order to prevent communists from being officials of trade unions, they are in for a long job. They will have to stay in trade unions perhaps for a long time. But that is not the worst aspect of it. If this government says today, or acts as though it is saying, that individuals with certain political convictions cannot be members of trade unions, tomorrow it can take the same action in regard to members of other political parties. There is no way by which the government can act except by the adoption of the methods of the police state, to which I think all of us in this house are opposed.

If this parliament and this government will formulate correct policies, the trade unions of this country will take care of their own organizations. They are doing that already. I could give the house many examples if I wanted to take the time. I find this sentence

in a similar resolution passed by the Regina chamber of commerce:

> The Regina chamber urges that a federal government supervised secret ballot be required in federal labour legislation, that the benefits of federal labour legislation be withheld from such organizations as are led by communists.

As I mentioned a moment ago, the government did take a supervised ballot in the industries I referred to, and yet the employers did not recognize that supervised ballot. What would be the situation and what action would the government take if after taking a supervised ballot the workers' organization did not recognize the validity of the vote? I say again that we must have equitable treatment and just enforcement of the laws for employers and employees alike. That is all I wish to say at the present time.

I am afraid we are allowing ourselves to be intimidated, sometimes by one side and sometimes by the other. The government cannot allow that to continue if it wants to have its laws and administration respected, and I want to see laws and administration respected in Canada.

Mr. DAVID CROLL (Spadina): Mr. Speaker, I have just a few observations to make on this bill. This bill is modelled on P.C. 1003, which, as this house knows, brought labour peace to this country in war time. With the widely differing provincial labour legislation that we have, there is a danger of labour war in peacetime. The house has already been informed that legislation was passed recently in Prince Edward Island which placed a ban on all but autonomous trade unions. It is true to say that the effect of that bill is virtually nil, since less than one thousand people will be affected, but I think it is well to note that the bill is a dangerous and disturbing one. It cuts under every labour principle that we understand. It is an attempt to punish all labour for the sins of the few. It is much like the Taft-Hartley bill in the United States.

One principle which above all others has been established for over a hundred years in Great Britain, and for a lesser number of years in this country, is that employees have the right to organize in a union of their own choice, free from employer control, and with a minimum of state interference. The Prince Edward Island bill places trade unions under licence which may well be cancelled on ministerial discretion. It is a dangerous bill. It points to a need that has been referred to in the house many times, the need of a national labour code to give guidance and to offset such ill-advise and retrograde legislation.

[Mr. MacInnis.]

The provinces are ready to be guided; they are ready to accept dominion leadership. As a matter of fact reports in the press this morning indicate that the legislature of Ontario gave second reading to our labour bill which has not yet received second reading here. That legislature has shown that it is ready to adopt this bill holus-bolus.

Mr. HOMUTH: Was that surprising to you?

Mr. CROLL: No, I am encouraged by that sort of co-operation. I am just a little disappointed that more of it is not forthcoming from time to time from the provincial legislature. I think it is a great mark of respect and confidence and a wise move on their part. Those of us who are familiar with the wartime labour regulations, P.C. 1003, will recall that they laid down some fundamental principles which have found their way into provincial legislation.

Mr. SMITH (Calgary West): Did I understand the hon. member to say that yesterday the Ontario legislature gave second reading to this bill? I am anxious to know how they could do that when hon. members here have not yet seen it.

Mr. CROLL: That was the objection taken by some of the members in the provincial house. It is reported in the *Globe and Mail* of this morning that one member said:

> In fact it has not even passed in another house. The whole matter is irregular and wrong.

Mr. HOMUTH: Let us get this thing clear. I think my hon. friend realizes that the legislation which was passed was enabling legislation which would bring the bill into force. The bill itself was not even there.

Mr. CROLL: My hon. friend is making it worse now. It is true that the bill itself was not there. No one had seen the bill. We got it yesterday. They had seen the previous bill. In spite of that, enabling legislation was passed by giving second reading to that bill. That is what I intended to say, and I thought I said it. I commend them for it—

Mr. SMITH (Calgary West): Not for this bill.

Mr. CROLL: No, for the bill that was passed previously. I said that wartime regulations had found their way into provincial labour legislation, and the hope is, of course, that any national labour code which we establish here in peace time shall stand as a model to these legislatures.

I realize that the government is disinclined to act with respect to the Prince Edward Island bill. I think our answer to it could be

to pass a bill which will be a model not only to Prince Edward Island but to the rest of the country.

There is one disturbing element in connection with the Prince Edward Island bill which has already been touched on today by the hon. member for Vancouver East (Mr. MacInnis). That was the statement made by the minister who introduced the bill. The minister without portfolio, the promoter of the bill, said that "the bill was intended to keep communists out of the province." It has become quite popular lately to evoke the menace of communism in connection with anti-progressive legislation. I, too, oppose communism; but what I object to is the use of false and misleading motives for reaching a conclusion.

The hon. member for Vancouver East has just brought to the attention of the house the refusal of the Sarnia and Colonial steamship companies to deal with the Canadian seamen's union, which is the certified bargaining agency. They are using the same excuse as the one used by the minister in Prince Edward Island. It is a weakness in our collective bargaining machinery which we must, if at all possible, correct at the present session of parliament. A union's certification must mean something. For employers to flout that certification is a clear violation of the spirit of the laws that we pass.

So far as the bill outlaws company unions it is a forward step, because they have brought grief and mischief to this country. They are inconsistent with the principle that union organizations should be protected against employer influence.

The minister said that basically this was a middle-of-the-road bill. My purpose in speaking to it is to make sure that it stays in the middle of the road. It needs careful examination; it needs serious study. In my opinion the power given to the minister in this bill is far too wide. I think that power should be with the national labour board. The bill lacks a section to provide for the reinstatement of employees who are discharged. It was well brought out at the last hearing that a determined employer, if he was prepared to pay the price, could keep any man off the job if he so desired. Many unfair labour practices which are increasing from time to time are not sufficiently covered by the bill. The definition is too limited in its scope and application.

There is a section in the bill—I have not the bill before me; it is the wear-down section—which is particularly objectionable in that it permits the employer to challenge the union's certification time and time again before the board.

Mr. HOMUTH: Does not that mean year by year? You cannot do it every month.

Mr. CROLL: There is no limitation on it—whenever he thinks they have not a majority. It is true that there is considerable provision in the bill for cool-offs and compulsory delays, but no one in this house believes that they are a permanent solution to collective bargaining. The bill is a good start. We must ask ourselves, is the bill fair? Will it promote labour peace? Will it increase government intervention in labour relations? With some modification, which I feel sure the committee will recommend, the bill ought to be acceptable as an honest effort. I am very happy to note that there is not much change between this year's bill and last year's, and that we are not attempting to mimic our friends to the south of us.

Given a chance, this bill will be improved by time and experience and I hope by the committee, and confirmed by the house. In my opinion it is a very good start.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I am not going to occupy very much of your time. I listened with a great deal of interest to the hon. member for Spadina (Mr. Croll), but I can never understand what he is driving at. He tore the bill to pieces for fifteen minutes, and wound up by approving it. I shall be interested in watching this thing in committee. I really thought the hon. member was going places until the wind-up, and then the old soft soap and salve were applied. He is a good friend of mine, and I hate to hurt him. I guess he is case-hardened.

I do not think this is the time or the place to discuss the bill section by section. The proper thing to do with it is to send it to the industrial relations committee. Because of the experience we had last year in dealing with a similar bill we have gained considerable knowledge, and in addition we gave the Canadian congress of labour the opportunity to prepare a code which they think is acceptable to the labour movement. We now have that to place alongside this bill proposed by the minister. I think the committee will have a fairly good guide as to what is acceptable to labour. The proposal which the congress puts out is not an unreasonable one.

My purpose in rising at this time is to support to some extent what the hon. member for Vancouver East (Mr. MacInnis) had to say. I do not care what kind of legislation is brought down, unless it has an understanding administration it will not be any good to anyone. I was always opposed to judges and lawyers sitting in judgment on labour disputes.

They are all right in their field, but their field is not labour relations. Many of the difficulties in connection with legislation in the past have arisen from the fact that men who were trained in another field were given the responsibility of making decisions on matters with which they were completely unfamiliar. In their argument in support of the bill the Canadian congress of labour make that point very strongly. They say that the national labour relations board should be the supreme body in deciding what constitutes a violation of the code. After they make that decision the courts of the country could impose whatever penalties are laid down in the code.

I think the minister should consider that point very seriously, because when these matters are dragged through the courts there is delay, friction and frustration, and in many instances the intention of the legislation is defeated.

The hon. member for Spadina said that in Canada as well as in Britain certain principles had been laid down over the last 150 years with respect to labour relations. That is true, but the trade union movement in Canada is not comparable with the trade union movement in Britain. I do not think the hon. member would say he believes that the trade union movement in Canada should affiliate itself politically with the labour party of Canada, which is the group I belong to.

Mr. HOMUTH: Certainly he would not; neither would I.

Mr. GILLIS: Nevertheless that is the position in Britain, and if you are to go by the principles enunciated by the British labour movement you will have to go all the way with them; otherwise there is no use in talking about it. In the second place, the constitutions of the British trade union movement are written, whereas our constitutions are based not upon conditions prevailing in that country, as are the constitutions there. Most of the constitutions that guide the destinies of the Canadian labour movement are written in the United States and are based upon American conditions because of our international affiliations.

Most of our large organizations that function in the basic industries of the country have their constitutions written over there and not in Canada, so that we have a much more difficult job ahead of us in designing legislation that will satisfy not only the Canadian movement but also to a large extent the United States movement, because they are definitely integrated with us in the field of labour relations. To a large extent also the movement in Canada is influenced from the United States, and I say wrongly in many cases, because the conditions in the two countries are not the same.

Both the hon. member for Spadina and the hon. member for Vancouver East stated that the Canadian seamen's union was the certified bargaining agency to bargain with the shipping companies. I have had several letters and telegrams from sections of that organization, the Canadian seamen's union, with respect to their dispute with the Canadian lake seamen's union. I wrote to the Minister of Labour about two weeks ago asking him if he would give me the facts in this particular dispute. Was Pat Sullivan's union, so-called, a certified bargaining agency, and was the Canadian seamen's union the sole bargaining agency in that industry? The letter I received in reply was to the effect that Sullivan's union was not certified as the bargaining agency, but neither was the Canadian seamen's union; that they held a collective agreement with the shipping companies but were never certified as the bona fide bargaining agency supreme in that industry.

I would ask the minister to clarify that point because I have written to several unions of that organization who wrote to me and I gave them the minister's answer. If that is true, then the arguments put forward by the member for Spadina and the member for Vancouver East are not valid. If it is not true, I want to correct what I have written to the sections of the union that corresponded with me, in order to clarify the point; because I accepted the minister's advice and I thought that he should know.

I am not going to say more on this question. I am a member of the committee and I want to see the bill get into committee so that we may do the job. But, as I said a few days ago, I would ask the minister when he is replying to clarify that point, as to whether we have the power as a parliament to enact an over-all national labour code. I ask him to do that because there is grave doubt about it. The member for Spadina is a lawyer, and I wish he had elaborated that. It was our stumbling block last year. The general opinion in the committee was that we could enact only a code that would embrace radio, the harbours board and the railways. Beyond that we could not go.

Mr. HOMUTH: Unless we have provincial legislation.

Mr. GILLIS: Unless we have the sanction of the provincial governments, and you will not get Quebec for a long time, so that it will not be national.

Mr. TIMMINS: Look at what is happening in Ontario.

Mr. GILLIS: I am not surprised at what is happening in Ontario. In my opinion, the reason why the Ontario minister of labour grabbed at it is clear. He took a look at it and said: It is ineffective anyway; it does not mean very much.

Mr. CASE: That is not the right spirit.

Mr. GILLIS: It hurts you a little bit, but that is true.

Mr. COCKERAM: It does not hurt us.

Mr. GILLIS: What are you squawking about, then?

Mr. CASE: I want you to be a good sport.

Mr. GILLIS: I am a good sport, and I am explaining something you do not understand. Now here is a chance for me to get rid of a headache, because industrial relations in this province are a headache, where you have sixty per cent of industry in Canada concentrated. And it will become worse as time goes on. By accepting the national labour code, so called, which does not mean very much, the minister of labour in Ontario is in a position, at any time a dispute arises, to pass it back to the federal Minister of Labour. It is good politics for the Conservative government in Ontario to dump that load of labour relations into the lap of the federal government.

Mr. CROLL: And it is good imagination on your part.

Mr. GILLIS: It is good sense. Don't kid yourself.

Mr. SMITH (Calgary West): Don't you want a national labour code?

Mr. GILLIS: Yes.

Mr. SMITH (Calgary West): Then, if Ontario comes in, give them credit.

Mr. GILLIS: They will step out quickly enough if you enact something that means anything.

Mr. SMITH (Calgary West): Did you hear the member for Spadina say that the Ontario legislature yesterday gave second reading to a bill for enabling legislation to adopt this in the province? Show me any other province that has done that.

Mr. GILLIS: Yes. They passed enabling legislation to adopt something that did not exist, because it will not exist until such time as it has gone through our committee, through this house and becomes law federally. I have no illusions as to why they grabbed it. If I were minister of labour in Ontario I would have urged it long ago to get rid of the problem that he is getting rid of.

Now, Mr. Speaker, I will not take up more of the time of the house, but when the minister closes the debate I wish he would say something about these two points: the British North America Act, and whether we are able to go forward with this as a national code; and also the matter of the certification of the Canadian seamen's union.

Mr. KARL HOMUTH (Waterloo South): I want to speak for a moment on behalf of our party here and as a member of the industrial relations committee. I am amazed, sitting in this house where there are 245 members elected across the country, to find when we come to deal with these various problems that there is a group to my left which, no matter how right you are, tells you you are wrong because you do not belong to the socialist party in this country.

Mr. KNOWLES: That is the trouble; the hon. member does not belong to it.

Mr. HOMUTH: The more I see of them, the more sick and tired I get of that group of people, who, because someone happens to be a little bit prosperous in this country, say that he is taking something out of the pockets of the people. No matter what you do, you are never right with them.

Mr. MacINNIS: Why do you complain when you vote with the government?

Mr. HOMUTH: I am complaining about the group that sits down there to my left and never has a kind thing to say about anybody except members of the socialist group. You cannot expect them to say anything against the communists because the communists have wrapped their arms around them.

What I wanted to say on behalf of our party is this. We do not intend to debate this bill. We do not intend to go into the various clauses of it. When it comes before the committee we will deal with those clauses and put forward whatever argument we have to put forward. We are in favour of the general principle of the bill. We are happy that our party which is in power in Ontario has adopted the principle of it and is willing to do everything it can to bring about a national code in this country, which is so necessary to labour peace. I hope that other provinces will follow that lead. I hope that public opinion in the province of Quebec—although some say that Quebec will be a long time in passing such legislation—will convince the government, whatever government it may

be, that it ought to line up with the others. But as far as the Progressive Conservative party in this house is concerned, we do not intend to debate the bill. We are glad it has been brought forward now. Let us hurry it along and enact it into law.

Mr. J. H. BLACKMORE (Lethbridge): The attitude of the Social Credit group on this bill is one of sympathy. This is an act to provide for the investigation, conciliation and settlement of industrial disputes. In our country it is necessary that we strive repeatedly for a greater and greater measure of justice, both for those who labour and for those who employ labour. We shall make progress in the direction desired by repeated efforts similar to those which are being made in this bill. We must strive for less and less delay and for less disruption of the Canadian economy whenever there arises unhappiness between capital and labour in any industry. We must strive for more and more good will and confidence on all sides.

As all will agree, Canada can be a land of plenty for all; it can be a land of glorious economic strength. Those who will recall for a moment or two the painful experiences through which we passed in 1946, when the steel strike was in progress, will realize afresh how easily our economy could be disrupted and our prosperity destroyed. It therefore becomes extremely important that we devote a good deal of attention to bills of this sort, thereby improving our machinery for settling disputes and avoiding them.

It is well to bear in mind once more, I believe, that it is utterly impossible, under the present economic and financial system, to give justice both to labour and to those employing labour; in fact, it is becoming increasingly difficult to give justice to either side. Into the meaning of what I have just said I will not enter at the present time. The mere fact that we are striving toward what in reality is an impossibility under the present financial system ought not to deter us from efforts toward the accomplishment of the desired objective.

The Social Credit group are anxious to see this bill pass and go to the industrial relations committee, there to receive such study and amendment as will make it as good as we can make it at the present time; for we realize that we must keep trying and struggling. So I will just say that we wish the minister well in his endeavours to build up a machine that will enable our industrial economy to function with the greatest possible efficiency and harmony.

[Mr. Homuth.]

Mr. STANLEY KNOWLES (Winnipeg North Centre): I wish to say a few words for the purpose of underlining a question which I hope the minister will answer when he speaks.

Reference has already been made this afternoon to the fact that the Ontario legislature has given second reading to a bill which accepts the framework of this bill for the province of Ontario. The legislature of Manitoba has before it a labour relations bill, section 60 of which deals with the same matter. As I understand it, that section provides that if there is uniformity between the Manitoba act and the dominion act, arrangements may be made under sections in both acts for the administration to be carried on in Manitoba by federal officials. Despite its shortcomings, the Manitoba act goes a little farther in this regard and provides that in the case of specific industries in which a dispute may arise, authority to deal with that particular dispute, if it is a dispute in common with disputes in other provinces, may be referred to the federal Department of Labour.

My question is this. Suppose a situation were to arise again similar to that created by the strike in the packing industry that we had last fall, would it be possible under this bill, and under bills like the one I have just described in Manitoba, for the federal Department of Labour to take a hand in seeking to settle that dispute? I contend, as the hon. member for Cape Breton South (Mr. Gillis) pointed out the other day, that we should go farther, and that we should have in this code provision for dealing with national industries such as meat packing, on a national basis, without any question. That is the main shortcoming of this bill, and in the committee we in this group who are members of it will seek to get that provision. But failing that—

Mr. SMITH (Calgary West): May I ask how you would do that in the act? What would you put in there, for example?

Mr. KNOWLES: I appreciate the question. I would say we could do something similar to what was done last year at the request of the Hudson Bay Mining and Smelting Company, when they asked that, because their operations at Flin Flon, Manitoba, are in two provinces, the same be considered to be to the general advantage of Canada and therefore under federal jurisdiction.

Mr. CROLL: With the consent of both provinces; don't forget that.

Mr. KNOWLES: That is granted. But we have passed some other bills in this house—

Mr. SMITH (Calgary West): May I ask another question?

Mr. KNOWLES: May I answer this one first?

Mr. SMITH (Calgary West): Elevators are, I think, the best example you have. Elevators have been declared to be for the general advantage of Canada. My only point was this. Where do you intend to stop? If you keep on going you will end up with the province having no jurisdiction at all.

Mr. KNOWLES: I think we can go step by step and put under federal jurisdiction some of these basic industries that are clearly national in scope.

Mr. SMITH (Calgary West): Oh, I agree; I am trying to be with you.

Mr. TIMMINS: That one company was only a small matter anyway.

Mr. KNOWLES: Exactly. That was my complaint last year, that this one company was only a small matter, but it was able to get this provision. With respect to an industry like meat packing, which was clearly national in scope, we were not able to get it, though as my colleague the hon. member for Cape Breton South said, if we had obtained it last summer we might have had less difficulty in the packing industry at that time. The question I am asking the minister to answer today is not whether he will accept this reasonable request that is being made from all sides of the house, but whether he can say that under the legislation as we now have it, it would be possible for the federal department to deal with a dispute of that kind.

Mr. MITCHELL: The answer is yes.

Mr. D. F. BROWN (Essex West): Mr. Speaker, I represent a riding which is largely industrial, and which of course is very much interested in this legislation.

Mr. CASE: Where is that riding?

Mr. BROWN: The hon. member asks where that riding is. I may inform him, as I have done many times in the past, that it is in the sun parlour of Canada, where today we have cabbages and lettuce in the fields and potatoes planted for early consumption. However, that is quite apart from the legislation now before us.

As I have said, this matter greatly affects the thousands of people who live in my constituency. I am most anxious that as soon as possible the legislation be referred to the industrial relations committee. I was a member of that committee in other years, but because of other duties of a national character which I have in this house it has not been possible for me to continue with that work. I trust, however, that the spirit of this legislation will be carried forward.

I should like to make one suggestion which I trust will be of some value to both labour and industry. In the main constituents I represent work in the large automobile, pharmaceutical and chemical plants in that area, and they have a sincere desire to make their contribution to the projects that have been undertaken. These people have contributed largely to the building up of great plants covering hundreds of acres. These corporations have constructed large buildings; they have branches in all parts of the world. I believe in Windsor we have the largest automotive industry in the empire and in my riding we have established the largest pharmaceutical centre in the empire, while in chemicals and other fields we have contributed largely to the economic life of Canada. This has been made possible to a great extent through the conscientious and sincere efforts of the industrial class; some may say the labour class, and there is dignity in labour. It is my hope that this legislation will lead, in the not too distant future, to a voluntary arrangement under which labour may share in the profits which have accumulated and which are being earned by these corporations. I am sure that as industry appreciates the desire of labour to make its contribution, and as industry comes to realize the advantage and necessity of creating a better and more harmonious relationship with labour, industry will voluntarily make some arrangement under which labour will participate in the profits that are made, and if this bill takes one step toward the realization of that goal I think it will have been worth while.

It is not my desire to take more time at this stage, Mr. Speaker, but as the provinces take this labour bill as a pattern on which they may mould their legislation, where the jurisdiction actually is in the provincial field, I am sure labour throughout Canada will benefit greatly.

Mr. MITCHELL: Mr. Speaker—

Mr. DEPUTY SPEAKER: If the minister speaks now he will close the debate.

Hon. HUMPHREY MITCHELL (Minister of Labour): I am not going to take much time this afternoon, except to answer questions in

a general way. This is not the committee stage; we are discussing second reading of the bill, but I do want to reply to one or two observations that have been made.

I believe it was the hon. member for Vancouver East (Mr. MacInnis) who discussed the differences between the two shipping companies and the Canadian seamen's union. I want to be perfectly frank with the hon. member; that disagreement is based on the fact that the companies will not deal with a union whose officers are communists. They have frankly said so. All the machinery has been gone through, and today the union appeared before the labour relations board asking for leave to prosecute. I think my hon. friend will agree that I should not discuss a matter which is before the board.

I think the hon. gentleman also raised some objection because the Vancouver board of trade, I think it was, and the Regina board of trade, had made representations to the government. Under our institutions I believe any Canadian who wishes may go to the foot of the throne and make representations.

Mr. MacINNIS: If the minister will permit an interjection, I was not objecting to individuals or organizations making representations to the government. I was taking issue with the kind of representations which were made by people who have always opposed labour organizations.

Mr. MITCHELL: I would not altogether say that. As I stated when I introduced the bill, I do not think all the angels are on one side.

Mr. MacINNIS: Quite true.

Mr. MITCHELL: There are plenty of good employers in this country; my hon. friend has dealt with them and so have I. I remember vividly the first agreement I negotiated when I was a trade union officer. It was with the Dominion Power and Transmission Company, the president of which was the father of the present Secretary of State (Mr. Gibson). The union enjoyed the best of relations with that company for many years, and do so today with the successors of the company.

I wanted to make that point, because the Minister of Labour receives many representations. I am often amused, if I may say so, when some hon. gentlemen rise on a question of privilege and read telegrams they received that morning. If they received some of the telegrams I receive, they would be afraid to show them to anyone; let alone get up on a question of privilege.

Mr. KNOWLES: They would burn up the wires.

[Mr. Mitchell.]

Mr. MITCHELL: Yes. I have been in the game. It is the easiest thing in the world when you have a talk to the brothers in local meeting, and when the manufacturers talk among themselves in their organization meetings.

Mr. McIVOR: But you are standing it pretty well.

Mr. MITCHELL: Oh, yes.

Another question was raised about which I should say something. Some criticism was made of judges. I shudder to think what would have become of labour relations in this nation had it not been for the contributions made by members of the judiciary who have acted as chairmen of many conciliation boards.

The hon. member for Cape Breton South (Mr. Gillis) was talking about workmen's compensation the other day. I say without fear of successful contradiction that the finest workmen's compensation law on the statute books of any country was passed after an inquiry by a royal commission presided over by, I believe, the late Chief Justice Meredith. The Ontario workmen's compensation law was the result.

Mr. TIMMINS: The first in the world.

Mr. MITCHELL: Yes, and the best.

Mr. GILLIS: And forced by the labour movement.

Mr. MITCHELL: That may be true too. But do not let us take all the credit.

Mr. GILLIS: Do not try to give it all in one direction, then.

Mr. MITCHELL: I had been talking about the judiciary. I played some part in the establishment of the workmen's compensation law in Ontario.

Mr. GILLIS: Some judge capitalized on your work.

Mr. MITCHELL: Don't we all? Sometimes I think my hon. friend feels very proud of himself as the saviour of mankind. I have no objection to that; but let the other fellow make some contribution to it.

Mr. PROBE: I suppose that is why there are so many ultra vires decisions on Saskatchewan legislation.

Mr. MITCHELL: That is not worthy of an answer.

Mr. SMITH (Calgary West): The hon. member should be ashamed of that, and say so.

Mr. GILLIS: He is asking for it.

Mr. SMITH (Calgary West): He is not ashamed of anything, or he would be ashamed of that.

Mr. KNOWLES: Now, where were we?

Mr. MITCHELL: My hon. friend says, "Where were we?" At least I know where I am going.

An hon. MEMBER: I hope so.

Mr. MITCHELL: And I hope it is a straight and narrow path, too.

A question has been raised about the courts. I know it is easy to criticize the courts, but I would rather take a chance on them than on some politicians; and I am looking at the hon. member for Regina City (Mr. Probe). I believe in the rule of law with respect to both parties in an industrial dispute.

In connection with the judiciary, I should like to mention Mr. Justice McTague and also Mr. Justice Carroll who, in my judgment, in his time made a great contribution to the coal mining industry of Nova Scotia. I think, too, of Mr. Justice O'Connor of Calgary who has rendered yeoman service in the various fields to which he has been appointed, and of Mr. Justice Archibald and Mr. Justice Richards.

If my hon. friend does not have confidence in the judiciary and does not avail himself of it, of whom would be avail himself? People have faith in the impartiality of such men when they are made chairmen of various boards.

I do not believe I have much more to say. Some point was raised about the Hudson Bay Mining and Smelting Company. As the hon. member well knows, the mine in question is in two provinces. The government was petitioned by the employees and employers to have an amendment made to the law to make it possible for this matter to come under national jurisdiction.

Let me say this to my hon. friends who talk so much about amending the British North America Act. In my judgment the only way to do that is to go to the people and get their consent. I remember sitting in the House of Commons when the first unemployment insurance bill, the eight-hour-day legislation, was pased on a national basis. The opposition of that day took the view that the legislation was unconstitutional, and it was later so declared. The next government which took office went to the country, and one of the planks in its platform was an amendment of the British North America Act to permit the adoption of unemployment insurance by the federal government. And that is the proper way to do it.

After all is said and done, this is the dominion government; but it is not the only pebble on the beach. The provinces still have some rights, as have also the employer and employee organizations. I have a simple way of expressing this thought. You cannot break a law by agreement. It is easy to say that an industry should be a national industry. It may be, however, that the employees do not want it that way; and they have a perfect right to go to the courts to argue their side.

Some years ago we had the famous Snider case in Ontario, concerning which the privy council said the federal government at that time had no jurisdiction under the Industrial Disputes Investigation Act, and that decision has stood to this day.

Mention has been made about the province of Ontario. I suppose the work of my department spills over more into the provinces than that of any other department of government. Let me say that my relations with every provincial government have been most happy. While the minister of labour of Ontario does not belong to the same political party as I do, he has been a friend of many years. I have sat down and discussed with him legislation of this kind. Only this morning my office received a call for 100 copies of this bill. I think that is all to the good, when we find co-operation between the provinces and the dominion.

I believe I have said all I intended to say at this time.

Mr. KNOWLES: Would the minister answer my question? I had not asked about the Hudson Bay Mining and Smelting Company. My question was this: With this legislation in effect, would it be possible for his department to deal with a strike such as the packing dispute of last fall?

Mr. MITCHELL: If the hon. member would read the act he would see that section 62 makes possible agreements between the dominion and provincial governments giving this government jurisdiction.

Mr. KNOWLES: It depends upon getting together.

Mr. MITCHELL: Absolutely.

Mr. GILLIS: The minister did not answer my question as to whether the Canadian seamen's union was a certified bargaining agency.

Mr. MITCHELL: With the Sarnia and Colonial companies, yes, in 1944. With the Canada Steamship Lines, no.

Motion agreed to, bill read the second time and referred to the standing committee on industrial relations.

BUSINESS OF THE HOUSE

On the order:

Second reading of Bill No. 196, an act to amend the War Veterans Allowance Act, 1946.

Hon. ALPHONSE FOURNIER (Minister of Public Works): Mr. Speaker, it was indicated that after the discussion of this bill legislation in the names of the Minister of Veterans Affairs (Mr. Gregg) and the Secretary of State (Mr. Gibson) would be proceeded with. They are absent, attending an official function at government house. However the Minister of Trade and Commerce (Mr. Howe) is ready to proceed with item No. 14 and item No. 12.

EXPORT AND IMPORT PERMITS

AMENDMENT TO PROVIDE PENALTY FOR FURNISHING FALSE OR MISLEADING INFORMATION

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved the second reading of Bill No. 138, to amend the Export and Import Permits Act.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, we had no idea this was to be discussed this afternoon. May I have an opportunity to telephone someone who knows something about it? We were relying upon other legislation for the afternoon.

Mr. HOWE: Mr. Speaker, the first section of this bill provides a penalty for the giving of false information or the making of false representations. The second section of the bill provides for an extension of the legislation. The duration of this legislation is in a peculiar position today. The present act provides that it shall expire two months after the commencement of the first session of parliament in 1948. There is no session of parliament commencing in 1948; the current session started in 1947. I think it can be reasonably presumed that the next session will start in 1949. The amendment will make it quite certain that the act will expire on March 31, 1950. The next section provides for a report to parliament in the usual form. When the bill is in committee another amendment will be moved to permit permits being given to certain countries and refused to other countries. This is to enable Canada to take part in the work of ERP and to take parallel action with the United States in directing shipments to certain countries and withholding shipments from certain other countries.

[Mr. Mitchell.]

Mr. MACDONNELL (Muskoka-Ontario): It would be interesting to know the kind of things that are being done. I take it that this bill deals with imports and exports to and from countries other than the United States; is that correct?

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): Could the minister give us in a general way the picture of what has been going on?

Mr. HOWE: The act applies to a great variety of products. The purpose of the act is to hold in Canada a sufficient quantity of certain products for Canadian purposes. For instance, about 40 per cent of lumber is retained in Canada for Canadian purposes through the operation of the act. The act prevents the export of nails which are in short supply in Canada and also limits the export of products made of steel, basic steel being in limited supply. It applies to a great variety of commodities. As soon as any commodity is in ample supply, it is taken from the list of commodities subject to export control. Where a commodity is necessary to the Canadian economy and is in short supply, export control is applied.

Mr. TIMMINS: Just what is the purpose of the act in connection with imports when there is a shortage of a particular commodity in Canada?

Mr. HOWE: May I suggest that with the Speaker in the chair this is hardly an appropriate time for questioning. If the bill could have second reading and go into committee my officials could be here and I would be able to answer questions which hon. gentlemen might care to ask at that time.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Macdonald (Brantford City) in the chair.

On section 1—Offences.

Mr. FRASER: Why is this amendment being made? Were there cases where false applications were made?

Mr. HOWE: We have had several cases where false information has been given and where permits have been issued on the basis of that false information. There was nothing in the bill that permitted us to do anything about the matter.

Mr. FRASER: What do you do in these cases? Do you cancel their permits entirely?

Mr. HOWE: Information came to hand after the material had been shipped, and as

there was no penalty provision in the bill, we simply had to let the matter drop. There was nothing we could do about it.

Mr. FRASER: This is to take care of that.

Mr. HOWE: Yes.

Mr. McMASTER: To how many articles has the act been applied? According to section 4 of the act, a list was to be published in the *Canada Gazette*. That list may have been published, but I do not remember seeing it. Was such a list published?

Mr. HOWE: Yes. The list has been tabled. I shall be glad to send a copy to my hon. friend. It was distributed to hon. members.

I have an amendment, Mr. Chairman. The amendment is:

That clause one of the bill be deleted and the following clauses substituted therefor:

"1. Section three of the Export and Import Permits Act, chapter seventeen of the statutes of 1947, is amended by adding thereto the following subsection:

'(2) The governor in council may by order, which shall be published in the *Canada Gazette* within fifteen days after the passing of such order, establish a list of countries to which section five of this act shall apply, and such list may be amended by the governor in council by order so published.'

2. Section five of the said act is repealed and the following substituted therefor:

'5. No person shall export or attempt to export from Canada any goods included in a list established pursuant to subsection one of section three of this act, or any goods to a country named in a list established pursuant to subsection two of such section, except under the authority of and in accordance with a permit issued under this act.'

3. The said act is further amended by adding thereto, immediately after section six thereof, the following section:

'6A. No person shall, in any application for a permit under this act or for the purpose of procuring the issue of any permit under this act, wilfully furnish any false or misleading information or knowingly make any misrepresentation.'

4. Section seven of the said act is repealed and the following substituted therefor:

'7. The minister, or any person designated by the minister, may issue to any person applying therefor a permit to export from Canada, to such place and in such quantity and of such quality as may be specified in the permit, any of the goods included in a list established pursuant to subsection one of section three of this act or any goods to a country named in a list established pursuant to subsection two of such section and may amend, suspend or cancel any such permit.'"

2. That clause two of the bill be renumbered as clause five.

Mr. LOCKHART: Is that an amendment?

Mr. FRASER: That is a new bill.

Mr. HOWE: May I explain the purpose of the amendment? I understand what my hon. friend is going to say, and I agree with him. The purpose of this amendment is to ensure that materials available in Canada for export are used in a manner that contributes to the maximum effort in the reconstruction and rehabilitation of Europe as envisaged under the European recovery program.

One of the keystones of the Hyde Park agreement whereby goods move without restriction from the United States into Canada, is the understanding that this special position accorded Canada will not be subject to abuse, and that the export controls of both countries are sufficiently co-ordinated as to allow for this free movement of goods between the two countries without the possibility of their flowing to a third country.

It is an arrangement which has proven extremely useful to Canada, and one that should be maintained.

The United States authorities on March 1 modified their regulations, in anticipation of the European recovery program, to require export licenses for all commodities being exported to Europe and contiguous areas.

One can readily understand that, with the enormous demands which will be placed on the productive capacity of the United States under the European recovery program, it is desirable that there be no diversion of United States products to Canada for back-door trading, and that we shall be found working as closely and harmoniously together in this peace offensive as under the duress of hostilities.

It is hoped therefore that the proposed amendment will enable us to implement our obligation on this score, and at the same time serve a double purpose of ensuring Canada's own products going forward to the best possible use in Europe.

It is apparent that the continuing world shortages, and the intensified demands that can be expected once funds are available to European countries will entail in Canada as in the United States, the need for directing supplies to those countries whose requirements are most urgent, and in such quantities as to ensure equitable distribution.

I think the committee will agree that in the early rehabilitation of Europe and the United Kingdom lies one bright hope for world peace. It is important, therefore, that every shipment we send to European shores contributes directly to this purpose. There is need, however, for machinery to implement this objective, and this amendment, I believe, meets this requirement.

It will be noted that the amendment provides flexibility to the governor in council in

determining the countries to which export control is necessary. It may well be that in the case of certain countries suitable control of the situation will be provided by import controls in those countries, in which case export control by Canada would be a duplication, involving unnecessary paper work. The amendment, therefore, provides authority to the governor in council to determine the list of countries to which over-all export control will apply, and provides for additions to or deletions from such list to be made from time to time, as circumstances may warrant. In all probability the list of countries that will be prescribed will follow closely those which have been placed under control by the United States. Generally speaking, this includes practically all the countries of Europe.

I would ask my colleague to move this amendment.

Mr. FOURNIER (Hull): I so move.

Mr. HOWE: The bill we have before us is an amending bill and this amendment refers to the act itself.

Mr. GRAYDON: I am quite aware of that. That is not what is confusing me.

Mr. HARRIS (Danforth): Frankly, Mr. Chairman, I am amazed that we are asked to pass this bill in its present form. I do not see how we can possibly digest it. We started with an egg partly turned over, now we have a scrambled egg, and we are asked to unscramble it.

May I speak for a moment with regard to the general idea behind this legislation? Of course, during the war we had to have export and import controls. This country dared not allow itself to be short of certain raw materials, and it dared not prohibit certain materials from coming in. I realize that to a degree that must be the case in peace time. But when are we to be able to clear the channel of all these restrictions and controls so that we may return to the old-fashioned way of trading?

I know that ERP is on the boards now and it may be necessary to have a certain amount of control, but this honourable assembly ought to know the extent of the control. If it is the old list, there are many items in that list, and the new list is not before us. I have not had the pleasure of perusing it and I should like to know what it contains.

The minister said in his previous statement that these controls were flexible and necessary for ERP. Yes, they carry the qualification of flexibility and perhaps of necessity, but within the confines of the amendment as I read it, and of this act, which does not expire until 1950, there will be a good deal more than

[Mr. Howe.]

flexibility in the administration of the measure. Arbitrary decisions will be made by the minister, and are provided for, and I believe that there will be as much in the way of arbitrary decisions as there will be of flexibility.

I hazard the guess that this legislation, and particularly the amendment, found its way here from Washington. During the war our officials or many of them sat at the feet of Washington, so to speak. They are still sitting there, and we are not displaying, to the extent that I should like to see, our autonomy as a self-governing nation. To a degree we have to help ERP and I am satisfied to go along to that extent. But let us in our generation refuse to be dictated to by another power which is to the south of us. Let us show our individuality and our entity in dealing with the great wealth of raw materials and other resources that are here for Canadians to develop and to handle. Let us have all these restrictions expire as early as possible.

I hesitate to go along even as far as 1950 under this bill; but I realize the magnitude of the amount involved, the seventeen and a half Marshall billions, and the six billions already arranged for Europe might take us along to that time.

The minister said that one of the main purposes of the measure was to conserve necessary raw materials in Canada. He mentioned lumber and there are a score of others that he might enumerate. To that extent, when this legislation does find its way onto the statute books, I hope that particular feature which is in his mind will be kept track of throughout and that raw materials necessary for increased production in Canada will be held here under this act for the benefit of Canadians, and that a minimum of export and import licences will be allowed.

I do not think the minister should ask us to pass this bill before six o'clock. If he has to send it to another place to have it rewritten, at least he should give us an idea by having these amendments printed, of what we are passing. He might also advise us whether in the other place arrangements have been made for the amendments which he at present proposes to add to the legislation.

Mr. HOWE: I have no desire to press the legislation today. When it is printed hon. members will find that the amendments are quite simple, although the wording we have received from justice looks complicated.

The first amendment gives authority to control exports by destination as well as by materials. At the present time we can control only materials and this gives the power to control both destination and materials.

Hon. members will recall that the hon. member for Waterloo South a few weeks ago rose to complain that valuable machinery from his area had been purchased by Czechoslovakian interests and was being moved to that country. There was no reason for us to control the export of that machinery because there was no particular use for it in Canada, but we did wish to control the destination just as the hon. member wishes to do. Had this amendment been in effect, we could have done that. It so happened that there was a priority order on the machine from Canadian arsenals so that they could take it. It is becoming more and more evident, however, with the changing map of Europe, that we must have authority to control destinations as well as the goods themselves which are being exported.

Mr. TIMMINS: That is a new principle in the act.

Mr. HOWE: Yes, and it is all the more necessary in that we are joining with the United States in offering aid to certain countries, and it will be the purpose of the act to assist us in directing more of our materials to certain destinations where we have undertaken obligations, with the United States, to see that goods are supplied to those countries rather than to others.

The second amendment provides for two lists, one of goods and the other of countries, instead of the single list we have today of goods.

The third paragraph is the same as that printed in the bill, but renumbered. Hon. members will see that it is exactly the same as in the printed bill. The fourth paragraph of the amendment provides for two lists and there is no great change.

Unless hon. members see some objection, I suggest that we might allow the bill to be reported from the committee as amended, with the understanding that when it comes up for third reading at another sitting, if any hon. member wishes to have it recommitted to the committee the government will see that it is recommitted for further study. I know of no other way in which to have the bill printed in its amended form. If that appeals to hon. members as a course which might be followed, we can do that. If they would prefer to study the amendment in *Hansard* and give it second reading on another day, that also would be satisfactory.

Mr. KNOWLES: Naturally one cannot be expected to express an opinion too definitely on the subject matter of the amendments proposed by the minister without having time to study them. But I would say that, in general, I think I am in favour of those amendments being made. I say that by way of preamble to the remarks I intend to make, because I do not want what I shall say to be interpreted as an attempt to block the legislation which the minister is bringing in.

The fact of the matter is that, even if it is something that I favour, I should like to see it done in a way that is right without question. Frankly I think we are violating some fundamental rules of parliamentary procedure if we permit these amendments to be made in this way. There is a clearly established principle that if one desires to bring in something that is substantially new, it must go through the usual process, including due notice, and not be introduced by way of an amendment to something else. I also find, according to May, at pages 404, 407 and 409, that when the house is in committee on a bill it is not in order to move to the clauses of the bill amendments that are irrelevant to those particular clauses. When the minister seeks to amend a clause that has to do with offences, by changing it or adding to it in such a way as to have it make provision for our participation in the Marshall plan, I think he must admit that it is quite an innovation in parliamentary procedure. In fact I wish the minister and the government generally would note the kind of precedent they are setting for us on this side of the house if they go through with this. If this procedure is allowed, it will mean that any time an amending bill is brought before the house, to amend some sections of an existing statute, it is in order to move amendments to those clauses in order to open up other sections of the existing statute.

At the moment I am not prepared to offer a suggestion as to just how to do this, except that it seems to me that the bill might be withdrawn and reintroduced altogether. In fact we might send the bill back to the other place, tell them to stick to their divorces, and have the bill reintroduced in this house. But I press the point, Mr. Chairman, that this is going beyond the bounds of anything that a private member would ever be allowed to do. I think that at least the matter should stand over for another day, that we should rise and report progress, and that this question as to the proper way of doing it should be further considered by the minister.

Mr. HOWE: While the subject matter of export and import permits is immensely important, the changes made in this bill are, in my opinion, not of great importance. I think Canada would suffer more if this act were repealed immediately than it would if almost any other part of the emergency legislation

were repealed—and from that I do not exempt rent control—because this is exceedingly important as a method of controlling supplies.

Mr. KNOWLES: I agree.

Mr. HOWE: The hon. member for Danforth has suggested that we should get rid of it. I agree. There is no more disagreeable task than that of administering this export and import control. Nevertheless—

Mr. HARRIS (Danforth): I said, as soon as possible, ERP being considered.

Mr. HOWE: Yes. Every country in the world today has export and import control.

Mr. HARRIS (Danforth): On a question of privilege, Mr. Chairman, I do not intend to sit in my seat in this chamber and allow the minister to put words into my mouth. The Minister of Trade and Commerce just now said that I wanted to get rid of these controls. That is quite true. I think perhaps the whole house does. But we must face circumstances as they are today. My question of privilege is this. I want the minister to give the full sentence that I used, namely, that we want to get rid of them, but in view of ERP, and in view of the present world situation, let us extend them as long as is reasonable, but not too long. I would ask the minister to give the whole sentence. The minister said that the hon. member wanted to get rid of controls. I want him to give the whole sentence.

Mr. HOWE: I said I was completely with the hon. member in favour of that. I want to get rid of them too. I certainly did not mean to misquote the hon. member, and I did not mean to suggest that if it were his decision, he would get rid of them. He said it was desirable over a period to get rid of them, and that is all I intended to say. I feel the same way about the matter.

Nevertheless, in the economy as we have it today, and in the world we are living in today, I think every hon. member will agree that we must have export controls. I am sorry to say that I think we must have them for a considerable time. Whether at the expiration of this measure in March, 1950, it will not be necessary to ask for a further extension, I cannot say; but I have the feeling that we shall be back asking for a further extension. I make full apology for the condition of the legislation that I am bringing in today. The difficulty is that the bill was introduced in the senate. At that time the necessity for a further amendment was not evident. As my hon. friend has suggested, the bill can be withdrawn and we can start all over again. But I think the easy way to deal with the situation would be to allow me to have this amendment printed, report the bill and, when it comes up for third reading, I shall be glad to recommit it to the committee for any changes that hon. members may wish to have made at that time. That is the easy way to do it. Of course, if there is any objection to it, we shall not do it in that way.

Mr. KNOWLES: In reply to the minister's statement that this is the easy way to do it, may I ask him this question? If we consent to this, will he support us in our attempt to follow the same easy way in amending other amending bills that are brought in?

Mr. HOWE: If the hon. member's amendments are as innocuous as mine are, we shall.

Mr. KNOWLES: Even innocuous amendments should be made in the right way.

Mr. FRASER: This, I believe, is creating a precedent.

The CHAIRMAN: I should like to make a suggestion. In May's, fourteenth edition, at page 509, there is a paragraph headed "Admissible Instructions", which reads as follows:

(1) Extension of objections—An instruction is necessary to authorize the introduction of amendments into a bill, which extend its provisions to objects not strictly covered by the subject matter of the bill as disclosed on the second reading, provided that these objects are cognate to its general purposes.

Would it meet the wishes of the committee if the committee rose and reported progress today and asked leave to sit again; then when the order is called at the next sitting of the house, that the minister move that instructions be given to the committee to amend the bill in accordance with the amendments which he has submitted today? That might be more in keeping with parliamentary procedure, I believe.

Mr. KNOWLES: That certainly is better than the procedure we are now following. You raised this point so quickly, Mr. Chairman, that I have not had time to look it up. But I think there is an item in Beauchesne which says that such instructions to the committee must be moved the first time the bill is referred to the committee, but that after it has once been referred, it cannot be done. Perhaps we might pardon the minister this time and give unanimous consent to the procedure.

Some hon. MEMBERS: Oh, no.

Mr. KNOWLES: I am only suggesting that unanimous consent be given to—

Mr. HOWE: I do not wish to press the point. I believe this is desirable legislation, but I do not think we should waste too much time

on this matter. We can go back to the senate and ask them to withdraw the bill and start all over again, if necessary. That will delay the bill a month or two, but that can be done if hon. members insist. But in order to get on with the business of the country I suggest that we allow this bill to be amended, and then consider it as it will read when amended.

Mr. KNOWLES: May I proceed with what I was saying when I was interrupted. I think your suggestion should be carried out, Mr. Chairman, with the understanding that it will require unanimous consent for the minister to move his instruction to the committee, when we are back in the house with the Speaker in the chair. The minister can then move an instruction that the committee has the power to make this amendment. The only time unanimous consent will be required will be to give him the right to move that motion; then it becomes a debatable motion and hon. members can discuss it if they wish. I agree that it is desirable legislation, but I think it should be put through in the right and proper parliamentary way.

The CHAIRMAN: If I may reply to the hon. member for Winnipeg North Centre, I believe, if it is found fitting when the house is in committee to change the bill and make it much broader than the bill which was considered on second reading, the procedure is for the committee to rise and report progress and ask leave to sit again. Then when the order is next called in the house the minister, on notice, can move that the committee be given an instruction to bring in the amendment.

Mr. POULIOT: I wish to say just a word. In the first place I want to congratulate the Minister of Trade and Commerce on the way he is dealing with trade, and on the splendid Canadian exhibit that will be shown at the British industries fair. I need not say more about that just now, because I shall have other occasions to speak about it; but I should like to say one thing to the hon. member for Winnipeg North Centre. I can tell him that I admire his industry; and it was precisely because I appreciate the fact that he has read May, Bourinot and the other writers on parliamentary procedure and practice that I voted for one of his amendments the other day. But he should have no illusion about it. If he becomes too punctilious then he will become a Philadelphia lawyer, and I shall be unable to support him any longer.

Mr. KNOWLES: Heaven forbid.

Mr. MACDONNELL (Muskoka-Ontario): While I know nothing about the rules of procedure, it seems to me that the suggestion which has been made is wise. But I wish to add that while I recognize, unwillingly, that probably this has to become law, and that probably the amendments suggested are sound, nevertheless I think we should just not be asked to pass this measure in any formal or perfunctory way. It seems to me that the fact we are asked to give these powers should put us on the alert to cut down those powers as far as may be reasonably possible. Therefore I am glad this matter is to be deferred until we have a look at what we are doing, because at the present time we have not had that look.

Progress reported.

EXPORT CREDITS INSURANCE ACT

AMENDMENT WITH RESPECT TO POWER TO ENTER INTO CONTRACTS

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Export Credits Insurance Act, to empower the corporation, with the approval of the governor in council, to enter into insurance contracts for a term or in an amount in excess of that which the corporation would normally undertake; moneys required to discharge liabilities of such contracts to be paid out of the consolidated revenue fund.

He said: The purpose of this amendment is to increase the effectiveness of the export credits insurance corporation by providing the means whereby insurance contracts up to an additional $100 million can be underwritten by the corporation under special conditions.

The act under which the corporation operates is one of the measures introduced by the government to strengthen Canada's post-war trade and to improve our economic position on a long-term basis. At the end of the war the outlook for the private business man interested in export trade was not encouraging. The need of devastated Europe for the goods Canada could supply was indeed great, but there were factors other than demand that had to be considered. Pre-war trading connections had been broken. In the search for new markets, Canadian exporters found that the field was limited. No longer could they spread their trade all over the world so that the risk of complete or total failure was but a remote possibility. The widespread destruction in so many European countries, the liquidation of foreign investments during the war, the increasing exchange difficulties and general shortage of dollars, the new political and administrative uncertainties and limitations facing

private trade—all these were factors that had radically changed the trading picture of pre-war days. Elements of risk above and beyond those the exporter might normally be expected to incur were introduced. If Canada's export trade were to be placed on a firm basis, within the framework of free enterprise at the Canadian end, some new measures were necessary to face the facts of life and adapt our trading system to the changing international scene. One of these measures was government-sponsored insurance.

Before introducing the Export Credits Insurance Act in 1944, a careful study was made of similar schemes which had operated successfully in Europe before the war. Of particular interest was the experience in Great Britain where such a system started about 1920 and continued in force throughout the war. Incidentally, the British scheme has today a surplus in excess of £2 million. Under the act, which first began to function in Canada in 1945, the exporter is insured against the hazards that are not covered by commercial policies. By the removal of this particular unpredictable portion of risk involved, he has been encouraged to expand his foreign trade.

Through the operations of the act over the past two and a half years, an increasing amount of export trade has been insured, and a portion of this is trade which undoubtedly would not have materialized had it not been insured. At December 31, 1947, the current policies of the corporation covered an estimated export volume of $44·5 million, or double the amount covered on the same day a year before.

Through the corporation the government is supplying a service that cannot be provided by private insurance firms. The Export Credits Insurance Act protects against those unexpected and unpreventable losses that occur in spite of every precaution of the policyholder. Some of the risks covered by the act include insolvency of the foreign buyer, cancellation of an import licence in the country of destination, or the risk of adverse changes in foregin exchange regulations. While the corporation will insure against delays in collection that are not the fault of the exporter, it does not cover trade disputes as to quality or quantity of goods received. Nor does it cover straight repudiation on the part of the buyer. On the other hand the exporter is insured against blockage of funds or transfer difficulties which prevent him from receiving payment for his goods in the currency agreed upon at the time of the sale. Such calamities as war or revolution in the country of the buyer are also covered. All these risks tend to have a political tinge and result from the fact that so much of our export trade, other than that with the United States, is concentrated in countries that have not yet recovered from the blows of war. Most of our overseas markets have still uncertain economic and exchange equilibrium which represents additional risks of a non-commercial nature to the Canadian exporter.

The Export Credits Insurance Act is administered in such a way as not to interfere with the normal business activities of the exporter. He is given freedom to extend credit within certain maximum limits without reference to the corporation. And it is up to the exporter to maintain a constant scrutiny of the credit-worthiness of his foreign buyer.

The act in no way subsidizes the exporter, for he still has to compete on the basis of quality, price, credit terms, service rendered, et cetera. But by insuring one of his most important liquid assets, the exporter finds it easier to obtain financial assistance from his bankers. The policy he holds gives him the benefit of the advice and assistance of the corporation in recovering as much of his loss as possible in the event of default. And finally, by being given coverage against the principal forms of loss arising out of overseas trade at the present time, he is able to expand his exporting business and so help in building up Canada's future foreign trade.

The corporation does not compete with commercial enterprises in the insurance field. It is nevertheless administered on a sound and businesslike basis. In all its policies, it adheres to the principle of co-insurance and will pay up to a maximum of 85 per cent of the contract price, leaving 15 per cent to be borne by the policyholder.

This maximum applies to all policies covering capital goods. Under general commodities policies, the same maximum of 85 per cent is set for any loss sustained in connection with individual shipments, but the maximum liability is limited in each policy to 50 per cent of the exporter's annual sales.

Also in keeping with another basic principle of insurance—that there should be a broad spread of risk—the corporation endeavours to cover as wide a range of countries, commodities, exporters, and contracts as possible. In this way the premium rate can be kept down. In 1947, out of 170 policies, 150 were for general commodities sold on short-term credits, and twenty were capital goods policies of short to medium term. More than seventy different countries received a variety of agricultural products, raw materials, and manufactured goods from Canadian exporters, insured by the corporation.

The corporation is operated on a self-supporting basis. It is not a profit-making institution, nor does it attempt to subsidize export trade. In the setting of premium rates, the tariff charged is sufficiently high to cover operating expenses and probable losses. Because of the favourable credit conditions of the last couple of years, the losses of the corporation have been negligible and an underwriting reserve of some $584,000 has been accumulated from the excess of income over expenditure.

I have dwelt at some length on the Export Credits Insurance Act, as well as the work of the corporation, for the bill I am speaking to will extend its scope to meet a situation that has been developing for some time. Under the present act, the corporation can take on liabilities up to a maximum of ten times its $10 million of paid-up capital and surplus. That is, the maximum liability at the present time cannot exceed $100 million. The proposed amendment will permit the corporation to issue contracts involving liabilities up to another $100 million, in addition to the maximum liability now in force. Contracts issued under this new section of the act will be those that are considered to be in the national interest, but that, because of their size, would not normally be covered by the corporation. Any losses from these contracts—which will have to be approved and authorized by the governor in council—will be paid out of the consolidated revenue fund.

The reason for introducing this amendment to the act lies in the number of requests the corporation has been receiving for individual contracts ranging from $5 million to $35 million. In view of the corporation's policy of spreading its risks as widely as possible, it was felt that covering such contracts would take up and centralize an undue proportion of the corporation's maximum liability of $100 million.

To give one example, the projected sale of aircraft to the United Kingdom by Canadair involves $35 million. Underwriting this contract alone would tie up one-third of the corporation's maximum insuring capacity. On the other hand it is obviously an excessive risk in one contract to be undertaken by one private company.

A number of these contracts are related to national policies and are dependent on the maintenance of an international equilibrium over which neither the seller nor the buyer may have any influence. The practical question of payment often depends more on the over-all balance of payments situation, which is sometimes affected by political considerations, than on the normal practices of commercial trade.

In the period following the war, the export credits which have been granted by Canada to European nations removed many of the difficulties I have just mentioned. With the assurance that the money to pay for the sale was right here in Canada, the exporter was not in the same need of insurance against the risks covered by an export credits insurance policy. But faced with the present balance of payments situation, Canada is no longer in a position to extend credits to other nations on the same scale as before. It is hoped, therefore, that this amendment will be able to replace some of the protection that was inherent in our export credits policy.

Because these contracts are for the most part much larger than those normally undertaken, the exporter finds that, in relation to his capital, he is unable to take on the contract without insurance protection. Then, too, the fact that payment may be spread over periods of months or even years makes it difficult for him to obtain the additional financing required, without the support of an export credits insurance policy. In many cases these sales are essential to Canada's well-being or will add materially to the development of her foreign trade.

The government has always encouraged the individual exporter and believes he should be free to carry on his business under his own initiative. But at the same time it must be recognized that state trading is operating in many countries of the world today, and it tends to place the Canadian exporter at a serious disadvantage if he is forced to operate without some government support. The amendment to the Export Credits Insurance Act will give our exporters competitive equality with exporters from foreign countries who already benefit from this kind of insurance, With the Marshall plan now in operation, conditions throughout the world are likely to cause an increase in large-scale government contracts, or those of a semi-political nature, that might be covered by this new section of the act. Where the risk involves political factors that increase the element of uncertainty in foreign trading and where a contract will prove beneficial to the nation as a whole, it is felt that the people of Canada, through its government, should bear some share of that risk, and by so doing place our exporters in a more favourable position with their competitors in the world market.

Before closing, I wish to point out that the policies issued under this amendment will be open to inspection by parliament. In its normal operations, the corporation, in setting premium rates, bases the premium for any contract on the class or type of goods sold,

the countries to which they are shipped, and the credit terms involved. To some extent it also takes into account the volume of the exporter's annual sales, the spread of risk on the part of the corporation, the previous loss experience of the exporter, and such relevant factors. Nor does the corporation neglect the fact that each exporter has his own markets, his own credit terms, problems and difficulties —all of which must be considered. It has therefore been the practice of the corporation to consider rates of premium as strictly confidential between policyholder and the corporation. This rule of secrecy will continue in force for all contracts of insurance that have been or will be issued under the present sections of the act. But policies issued under the amendment now before the house, that is, those issued under section 21A of the act, will be treated differently. Because such policies will usually cover contracts with foreign governments or semi-public agencies, and because of the political factors involved, it has been decided that all such contracts should be open to scrutiny by members of parliament. Full information on these policies will therefore be tabled in the house.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, the minister has given us a most interesting report on the operations of this act and I think he has made out a prima facie case for its usefulness. I do not think that on the resolution stage one needs to spend a great deal of time in asking questions, and anyway the minister has given us considerable information. However there are some things which will require further explanation when we are dealing with the bill itself.

For instance, it is not immediately clear to me why private insurers could not write policies in connection with goods going to the United States. I note that the minister referred to that and it is not necessary now to ask for detailed information. Another thing I should like to know more about is this. The minister stated early in his remarks that government policies were written in cases where it was impossible for private insurers to act. I think those were substantially his words. The word "impossible" is a rather strong word and sometimes there are degrees of possibility or impossibility. Is this a case of whole hog or none? Could there be exports to certain countries where perhaps some policies could be written by private insurers, while others, because of their size or for some other reason, could not be taken up by private insurers but would have to be taken up by the government?

[Mr. Howe.]

Mr. HOWE: I wonder if we could go into committee when it would be easier to answer questions?

Mr. McMASTER: I should like to say a few words and I wonder if we could call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. W. A. McMASTER (High Park): Mr. Speaker, I rise to register my opposition to this particular resolution, and in doing so I may say that I speak only for myself. I do not know what position other hon. members of the house intend to take. For reasons which I shall elaborate I have had the particular act to which this resolution refers under consideration for some time. It is one of the acts which I heartily disapprove. It is one of several acts that were passed about the same time during the war. These acts in their very nature were emergency legislation, as will appear from the preamble to the original act which was passed in the fall of 1944 and which reads as follows:

> Whereas it is desirable to promote the revival of trade by establishing a corporation to insure against loss caused by insolvency, delay in collection and transfer difficulties in connection with the export of Canadian-produced goods, and during the period of transition from war to peace by providing for loans or guarantees to governments of other countries or their agencies.

Surely three years after the war we can hardly say that we are in the period of transition from war to peace. In fact, as long ago as June, 1946, the government realized that the preamble was no longer applicable and repealed it, so that in the extensive amendments which were made in 1946 that preamble no longer appears because I presume the government considered it no longer applicable.

I cannot quite understand why this government should want to receive power to enter into any contracts that they have not the power to enter into at the present time because, as I read the act as it was enacted in 1946, they have power to enter into contracts to the extent of $200 million as to guarantees given to other countries, and to the extent of $750 million for the purchase of securities. Incidentally, the capital of the corporation is $10,000,000. These amounts seem to me to be considerable sums of money for one more or less innocuous corporation about which we have heard very little during the past few years. Perhaps one reason we have heard very

little about it is that very little publicity was given to the type of work that the corporation is doing.

As I understand it, the act is divided into two parts: loans to other governments and their agencies; and policies of insurance sold to exporters. In a return brought down to a question asked by me in February of this year, return No. 116A, it was stated that at the present time the bank had guaranteed $12,750,000 to three chartered banks in respect of credit given to the Ming Sing Industrial Company of China to purchase ships from Canada. So far as I know, that is the only guarantee given to another government agency, although the terms of the resolution may indicate that some larger guarantees are intended to be given.

I should like to say a word about the policies of insurance issued. Perhaps I should say this first, since the Minister of Trade and Commerce (Mr. Howe) in his opening statement referred to it. Apparently all the loans made to other countries under the amendment of 1946, which allowed the Dominion of Canada to extend credits to the extent of $750 million to countries other than the United Kingdom, were advanced under this act; therefore at the present time no responsibility rests upon the export credits corporation, because this money is a loan given to each country. Therefore there is no responsibility to be undertaken by the corporation; it has only to see that the money is properly handed over to a country and that the money is expended in Canada. It may be that up to the present time it had no great responsibility in that regard. One of the things I object to very much is the policies of insurance which the corporation is selling. Before the dinner recess the hon. member for Muskoka-Ontario (Mr. Macdonnell) asked why private people could not issue these policies. The answer may be in the amendment that was made in 1946, but it does not seem to me a very compelling reason for the government to enter into a business which can be carried on privately in an economy that is supposed to be competitive. One of the amendments of the 1946 act says that the corporation may:

> (a) for the purpose of facilitating and developing trade between Canada and any other country, enter into a contract of insurance with an exporter to insure him against any risk of loss in connection with the export or an agreement for the export of goods by reason of the failure of the exporter, for any cause not avoidable by the exporter, to recover the selling price of the goods.

That is a very practical guarantee. Certain exporters who buy one of these policies of insurance will be guaranteed against loss which is not caused entirely by the negligence of the exporter. I presume he has to give some evidence of good faith and allow proper time to recover the money. Once before I asked a question about the reasons for these guarantees of insurance, and I know now why I have not received the answer. Therefore I have devised another way of trying to get some idea of the cost of these government agencies. In the return which I mentioned a while ago of February of this year, I received the following information: issued policies as of December 31, 1947, $23,964,827. I then asked a question as to the size of the policies, and the answer is as follows: one of $3,281,000; one of $2,550,000; one of $1,649,000; two of $1,000,000 each; one of $700,000; one of $580,000; one of $575,000, one of $550,000, and one of $500,000. Who are the fortunate people who received these policies of insurance because, as the minister stated in his opening remarks, goods were shipped all over the world? This is substantiated by the return of the corporation for the year 1947 which, incidentally, happened to come to us through the mail today. If the minister held off his resolution until this was available I want to thank him for doing so because we are in a little better position with that information. On an analysis of the countries of actual risks undertaken during the year 1947, I find a whole page. I think there are about sixty countries to which insurance guarantees have been given. The exports to foreign countries range from $1,000,000 to $3,300,000. Several had over $1,000,000. In the case of the United Kingdom the sum is $6,391,000. Therefore at different times there were guarantees to the extent of $28,000,000 given. Some have been repaid. In other words, guarantees are extended with respect to goods shipped to every part of the world. I cannot see why the government should be expected to give these guarantees and I believe that a considerable loss will be sustained in consequence.

The annual report for 1947 is somewhat better than that of the first nine months of 1946. It shows that the corporation had in their hands $10,000,000 advanced by the Dominion of Canada and on the amount they invested they received $196,000. They received $277,000 by way of premium on risks undertaken and their expenses were in the neighbourhood of $60,000, leaving a balance on hand of approximately $413,000, of which approximately $200,000 came from investments.

Now, $413,000 is just about four per cent on the money invested. If Canada is paying three per cent for money, and if, after this extensive trading in a year, there were no

actual losses last year, at least none being visible at the time of this return, the result is a surplus of $122,000 to cover guarantees totalling at that time $23,000,000.

I do not think that is good business. In my opinion the charge is far less than it should be. At one time I calculated it to be about one-fifth of one per cent, which is practically negligible so far as the exporters are concerned. Anyone can appreciate that even if there is not a loss at all it becomes a small charge to the exporter. I fear, therefore, the people of Canada will suffer a great loss.

I realize that the directors are all government employees. The act made provision for certain others to be appointed; but, apart from the general manager, the directors are all employees in the higher brackets either of the government or of the Bank of Canada. There is also an advisory council. I have nothing to say against the advisory council, which is composed of men of substance in the community, but I doubt whether these men have the time to look into many of these different transactions which this government is bound to investigate during the course of the year. I suggest that they can deal intelligently only with certain ones about which they have some knowledge, and the ones they know of would be corporations that would not require the assistance of the government, because they could make use of the insurance companies now available throughout Canada.

I object strenuously to this as I do to three or four other corporations of the kind, for the reason that we do not know what they are doing. We do not know who is borrowing money. The minister intimated, I gathered, that a list of the loans will be available to members of parliament. That will be in the future, because I do not believe that any member has seen it in the past. But I submit that making the list accessible under conditions of secrecy will not serve any useful purpose, because in that case, one may say too much, and then it will no longer be secret, or, if strict secrecy is observed, the information obtained will be of no value to the person who gets it. The information should be available to everyone.

It may be that these exporters do not want their business known. If they do not, they should not apply for the guarantee. They must take the consequence of asking for something which no one else will give them at a reasonable premium.

In regard to this particular corporation, I take the same position that I take with respect to any other department of government. I suggest that a minister of the crown or a deputy minister should always stand on guard in his relations to friends or to other people who may have a persuasive manner, and if he has the knowledge that the people of Canada will learn of the transaction it will make it easier to say "no." I do not think any man seeking a favour would dare to ask for it if he knew he did not deserve it, and that the public would learn of the transaction.

I do not say that, in the matter of publicity, the facts need be widely publicized, but the information should be available to everyone; otherwise it is not democratic. If it is a case where only seven, eight, nine or ten people know the facts in Canada, you have no democracy. In a dictatorship only one man knows, but the difference is merely that in one case ten men are dictators and in the other only one man is. I do not think that is in keeping with democratic government, and I do not believe the exporters of Canada, with their reputation for shrewdness and for sound trading, need be coddled by the government. They should stand on their own feet; otherwise the weaker ones will be in the same position as the strong ones. We do not want ambassadors all over the world. We want live trade commissioners who will look after the trade of Canada. For these reasons I am opposed to the resolution carrying.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. ROSS (St. Paul's): In the report of the corporation I do not see anything by way of reserve on account of outstanding policies in the assets and liabilities. I should like to ask the minister why the premiums were not disclosed before and why they are to be disclosed now. I should also like to know what losses have been sustained so far. What reserve is set up for outstanding policies?

Mr. HOWE: If my hon. friend will read the statement distributed for the year ended December 31, 1947, he will find that at the end of that year the reserve had been built up to $584,336.07. The capital of $10,000,000 which was credited to the corporation on its formation is still intact.

Mr. ROSS (St. Paul's): On what basis are the reserves arrived at? The outstanding liabilities must be very large. I believe the outstanding liabilities under policies outstanding are $27,000,000 and it does not seem to me that $584,000 is sufficient.

Mr. HOWE: Reserves can be built up only from earnings. We have the $10,000,000 capital.

Mr. ROSS (St. Paul's): Reserves are a different thing from surplus. I am talking about reserves.

Mr. HOWE: The surplus that my hon. friend talks about is built up from earnings just as the reserves are built up from earnings.

Mr. ROSS (St. Paul's): Excuse me; you have two different things. One is reserves and the other is premiums.

Mr. HOWE: All the premiums received to date are in the underwriting reserve.

Mr. ROSS (St. Paul's): What reserves have you on account of losses which will take place, out of this $27,000,000? All you have is something like $485,000.

Mr. HOWE: You have $584,336.07 along with the original capital of $10,000,000 invested in the company.

Mr. ROSS (St. Paul's): Can the minister give us some idea about how these reserves are arrived at?

Mr. HOWE: These reserves are the total earnings of the company, the total receipts from premiums less the cost of operating the company.

Mr. ROSS (St. Paul's): I do not think that is correct. The minister has the two things mixed up. First of all, you have a surplus which is a different thing altogether. What you have, as a matter of fact, and what you must have are reserves on account of unearned premiums. What are those reserves on account of unearned premiums? What is the basis of arriving at those reserves?

Mr. HOWE: Call them what you will, everything that has been paid into the company is in the form of reserves as shown in the statement. That is all the money there is, and there is not any more. This company was given $10,000,000 when it started and it has collected $584,000 more than it has paid out in operating expenses. That is all the money there is. How can my hon. friend find reserves beyond that point?

Mr. ROSS (St. Paul's): I do not think the minister gets the idea yet. You have outstanding liabilities of something like $27,000,000. That is what you have. What reserve have you against these outstanding liabilities? What reserves do you put up? How do you arrive at the reserves which must be put up there?

Mr. HOWE: I arrive at the reserves by adding the capital and the earnings, and that is all the money there is.

Mr. ROSS (St. Paul's): I am trying to get at it from a different point of view. Your capital and what you have earned and so on constitute your surplus. But out of this $27,000,000 you will have some losses. What do you expect to have by way of losses and what reserve do you set up under this for those losses? That is what I want to get at, and I do not see it in the statement.

Mr. HOWE: I will read from the annual report:

> The financial statements of the corporation show that an underwriting reserve of $584,336.07 has been accumulated. Since the business of the corporation is to protect exporters against credit and political risks involved in foreign trade, it must be expected that there will be an appreciable loss experience over a period of years. The three years of the corporation's existence cannot be regarded as typical in this respect mainly because of the favourable credit conditions during this period. Accordingly, while no specific provision has been made for anticipated losses, the total excess of income over expenditure since the commencement of the corporation's operations has been credited to the underwriting reserve.

Mr. ROSS (St. Paul's): I still do not think the minister gets the point. I understand what he has. For instance, you have here the excess of income over expenditures for the year ended December 31, 1947, which is $422,000. That is what your excess of income over expenditure is. I understand that all right. But what anticipated losses have you? This statement does not tell me that. What anticipated losses will there be? What do you put in your statement here by way of a reserve for that? For instance, with regard to ordinary year by year fire insurance, the department of insurance in Canada requires that 40 per cent must be put up on your unearned premiums by way of reserve against anticipated losses. Where does that come into this statement? That is what I am trying to get at. What do you expect to have by way of losses out of this $27,000,000? That is the only way we can tell about this.

Mr. HOWE: The inspector of insurance is satisfied with 40 per cent of the premiums as a loss reserve. We are taking 100 per cent of the premiums. Surely we are being more conservative than the company my hon. friend is telling us about. All we can do is put all the money we earn into an insurance reserve.

Mr. ROSS (St. Paul's): Yes, I agree with you. You put it in the reserve. But what do you anticipate your losses will be?

Mr. HOWE: We have had no losses to date. We have had a limited experience, but we have had no losses.

Mr. ROSS (St. Paul's): That is what I want to get at. How do you know your premiums are adequate for the risk you take? Or do you figure that the government of Canada will pay those losses anyway? Do you figure that we shall pay them anyway whether we get the premiums or not?

The DEPUTY CHAIRMAN: Shall the resolution carry?

Mr. MACDONNELL (Muskoka-Ontario): No, Mr. Chairman—

Mr. ROSS (St. Paul's): No. I want an answer to my question.

Mr. HOWE: We are operating on the same plan as the British fund, or rather on the same principle or on the same basis. Over the years the British fund has built up a substantial reserve, which is £2,500,000 at the moment. We are hoping that our experience will be similar to theirs. As I say, we have had two or three years of experience and no losses. The losses that have occurred are quite trivial; they are something like $18,000 to date. We are playing safe, because it is not a question of setting aside 40 per cent of the premiums or 50 per cent of the premiums as a loss reserve. We set aside 100 per cent. We cannot do more than that.

Mr. ROSS (St. Paul's): I just want to ask one other question which I asked before. Why should the rates of premiums on policies of this kind be cheaper, and why are you not to have them open for inspection now? What is the difference?

Mr. HOWE: They differ between the different countries. They have some relation to the political risk involved. Naturally, we do not want all countries to compare their position in this insurance fund with that of others. There are obvious reasons why we do not publish rates. We like to look at the risk, decide whether we want it or not and, if we want it, the rate of insurance that we shall charge, just as any insurance company would do.

Mr. ROSS (St. Paul's): Are these policies which are being issued at the present time annual policies or for a period of time?

Mr. HOWE: We issue both types; we issue annual policies to cover general commodities and also capital goods policies to cover a particular risk. For example, if we are selling a ship paid for by progress payments, the policy will extend over the life of the liability.

Mr. MACDONNELL (Muskoka-Ontario): I do not propose to delay the committee to any

extent now, but I should like to raise one or two points which I think should be gone into with considerable care when we come to the committee stage of the bill. When the Speaker was in the chair this afternoon the minister said, as I understood him, that the reason the public corporation was dealing with these risks was that private business could not take them on. Am I correct in that?

Mr. HOWE: Yes.

Mr. MACDONNELL (Muskoka-Ontario): I have seen the report since this afternoon, and I have been studying it. Unless the ordinary insurers have changed their whole way of doing business, or want to go out of business altogether, it is hard for me to understand why they cannot take risks in Australia, let us say, or the United Kingdom, or the Netherlands, and I could mention some other countries. The minister has spoken about political risks. If people were shipping goods to Czechoslovakia or Hungary or Poland I can understand that there might be great political risks; but when we reach the committee stage on the bill I think perhaps the minister might give us some indication of what he bases his opinion on that this must be done by a government agency, and why no private corporation will undertake it. I propose to try to find out something more about that myself. In passing, I notice that we have guaranteed over a million dollars going to the United States of America. If I am correct in thinking that political risks enter into this and, while not the whole, form a large part of the reason for government intervention, surely the United States should not be included.

I do not want to take more time on this now. If the minister thinks it would be better to deal with these matters when we are in the committee stage on the bill, I am content; but it seems to me that we would require some evidence, let us say, far beyond anything I have read, that in the case of many of these countries private business has thrown up its hands, so we have to do this through a public agency.

Mr. HOWE: It is a fact that there are no companies insuring export credits to any country except the United States. That is the fact, but I cannot say why. We wish they were, because we do not particularly like this business; but there are risks today in shipping to almost any country, outside the United States, which risks a private firm cannot assess. There is the risk of devaluation of the currency; the risk of blockage of funds, and various risks of that kind which are peculiar to this period, which the government can assess

and probably work out, but on which no private firm could possibly take a chance.

Mr. MACDONNELL (Muskoka-Ontario): Of course, wherever those conditions exist I can see the reason for it; but does the minister apply those words— "risk of a sudden blockage of funds," for instance—to the United Kingdom?

Mr. HOWE: Certainly.

Mr. MACDONNELL (Muskoka-Ontario): In spite of the over-all financial arrangements we have, does the minister mean that a private firm could not satisfy itself, in making a deal in the United Kingdom, that it might not suddenly find the funds blocked?

Mr. HOWE: The fact is that, out of $28,000,000 of outstanding policies, over $6,000,000 are in the United Kingdom. As a matter of fact we have been approached for very large policies with respect to the United Kingdom, policies we could not take on because they would throw our whole insurance plan out of balance. But it is also a fact that many exporters, even though they are exporting through channels they may know all about, believe it is worth the price of a policy just to get the Canadian government behind their risk.

Mr. MACDONNELL (Muskoka-Ontario): I am not going to pursue the matter further now, but frankly I am still puzzled. When the matter comes up again I may know more about it.

Resolution reported, read the second time and concurred in.

Mr. HOWE thereupon moved for leave to introduce Bill No. 197, to amend the Export Credits Insurance Act.

Motion agreed to and bill read the first time.

DOMINION ELECTIONS ACT

PROVISION FOR INCREASE IN SALARY OF CHIEF ELECTORAL OFFICER

Hon. COLIN GIBSON (Secretary of State) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Dominion Elections Act, 1938, to make provision *inter alia* for an increase of salary to the chief electoral officer.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. POULIOT: Some years ago I suggested the salary of the chief electoral officer should be increased, and at the time the circumstances were particularly interesting. There were two men. One was doing nothing and was receiving $10,000 a year. The other, the present chief electoral officer, was receiving only $4,000 and was doing all the work. This seemed strange and I suggested that the $10,000 should be given the man who was working hard and that the other gentleman should be given no more than $4,000. There was a compromise, and the chief electoral officer was paid $8,000.

He is doing splendid work, and I hope that some day a journalist will ask him for an interview and learn how he succeeded in having the ballots returned on time from all parts of the country after the last election. It was quite an accomplishment, and he deserves special recognition for that. I know he is helped by his son, who has a very fine war record; and I also hope that the services rendered by his son will be recognized in due course.

I am an old timer, Mr. Chairman; I remember elections when the electoral officials were much better paid than they are now, at a time when money had more value than it has today. We are now at the resolution stage of this matter, and I hope that the minister will be good enough to look into the past and see what was formerly paid in both urban and rural centres for the polling booths and to the returning officers, the deputy returning officers, the clerks and all the others who have to do with an election. I remember that in my first election a constable was at the door of every polling booth. That is a good thing; it inspires respect for justice on the part of everyone, even those who are not telegraphers. There are no such people in my constituency, but I speak now of the large, urban centres. In those days the rental paid for the polling booth was much higher than is now the case; and I suggest to the director of elections that all those in this country engaged in electoral work should be at least as well rewarded now as they were twenty or twenty-five years ago. There is no reason why they should not be. And if the salary of the chief electoral officer is to be adjusted now—and I am for it—the salaries of all those engaged in elections work by the government should go up to the level they were twenty or twenty-five years ago. You know, sir, that the whole thing has been decreased gradually and that no one has noticed it. There are many new members who appear for the first time. They do not pay much attention to the amount paid to

these men. It is most important to reward them well, because they are doing their duty. If we want to have good men we have to pay them a reasonable amount for the time they spend on public business to help the country in the proper carrying out of elections. The minister must know that. He is not a newcomer but has been in the house for some time.

I was here before the minister came, and I remember the happy time when the adjustment of those salaries was more just than it is now. I shall not insist further, but I will ask for a complete tabulation of the amounts paid to all the electoral officers and for the renting of the polls at the present time and twenty or twenty-five years ago. I shall not ask for all the changes in the statute; that might take too much space in *Hansard*. I hope that the minister will accept my most reasonable request, which is made on behalf of thousands of people across the country.

Mr. MacINNIS: I am not going to debate the question at all, but I just wish to ask the minister why this matter is again referred to the committee when the committee appointed last year made an exhaustive study of the elections act and presented its report to parliament. I should hope that if there is nothing new the committee would not have to go over the same ground again.

The matter mentioned in the resolution, namely the increase in the salary of the chief electoral officer, was dealt with in the committee's report of last year. Before taking my seat, may I associate myself with what was said by the hon. member for Temiscouata with respect to the chief electoral officer. He is, I think, one of Canada's most respected servants, and certainly I did not have any objection last year to increasing the salary, nor will I have any this year. But I should like to know just why this matter is again referred to a committee in view of the exhaustive study given the matter last year.

Mr. GIBSON (Hamilton West): As the hon. member has stated, this bill was referred to a committee at the last session of parliament. That committee reported, but the bill was not reached before the session ended. In the interval between sessions the chief electoral officer has come across some minor amendments he feels should be made, and he has several further suggestions to offer. It was considered advisable to have a committee consisting of the same personnel as at the last session study these suggestions before the bill receives second reading. I have on the order paper a notice for the setting up of that committee. Hon. members will see that, with two exceptions, namely the hon. members who formerly sat for Yale and Ontario, and both of whom unfortunately are no longer with us, the personnel is the same. If later I have unanimous consent I would suggest that we set up that committee tonight, so that when the bill receives second reading there will be a committee to which it can be referred.

Mr. POULIOT: Would the minister be good enough to say if he will table the tabulations for which I have asked, comparing the amounts paid now and twenty-five years ago to those engaged in election work.

Mr. GIBSON (Hamilton West): I shall do my best to get those figures. I believe they should be readily obtainable, and I am sure the chief electoral officer will be glad to provide them, if he has them available.

Mr. POULIOT: I thank the minister; he will find them in the statutes and in the regulations.

Let me say something further about the work of the committee. There was no unity in the work of the committee last year, and there was much repetition. I am reminded of what happened after Mr. Bennett was defeated. The committee sat for two sessions and the members worked hard. I give them credit for it. Someone had complained that the Conservative legislation was bad. It is true that it was bad. All members were anxious to improve it, and they worked hard night and day. There were evening sittings. At that time some of the discussions brought forth a considerable degree of acrimony and animosity. Hon. members on both sides were so convinced as to the justice of their arguments that there were almost fights in the committee room—a committee to which I did not belong.

Mr. NICHOLSON: Last year?

Mr. POULIOT: No, in 1936 and 1937.

An hon. MEMBER: And 1938.

Mr. POULIOT: Let us say anything to please the hon. member. After two sessions of painstaking and strenuous work, the members presented a very fine report, which was the previous election law that was in force before Mr. Bennett took office. That work could have been done by a minor clerk. When I think that members had to waste their time for two sessions discussing, fighting and repeating the same story, working day and night for nothing, I am still sorry for them. I hope that the next time the matter comes before a committee other than the committee of the whole we shall not have a repetition of that condition.

I am surprised that the members who sat on the committee last year did not ask for

a comparison between the amounts paid a long time ago and those paid at the last election. It was most unfair; it was unjust. If there is an increase in the salary of the chief electoral officer, then it must go to all others; and I am most insistent upon that. When hon. members return to their constituencies they will know that what I say tonight is accurate and according to the facts. If they support that contention they will be rewarded by popular applause when they return home.

Mr. KNOWLES: I should like to ask one question relating to a matter which might be dealt with by way of study on the part of the chief electoral officer, might be studied by the committee the minister proposes to set up, or might be studied by the government itself. I refer to the question of arranging for having redistribution carried out by some body other than the House of Commons. When I raised this matter last year one of the chief objections put forward by the hon. member for Quebec South was that the issue was too much alive at that time to permit the time being taken up which would be necessary in order to work out proper legislation. The hon. member for Quebec South told the house that at a previous time, I believe when he was Postmaster General, he had had charge of preparing a bill to permit redistribution to be done by an independent commission.

When this question of an independent commission is raised when redistribution is actually being effected I realize that the argument can be brought forth that there is not time to do it. In other words, the time to reconsider the whole position is in the lull between redistributions. As the Secretary of State knows, we in Canada are backward in this respect. Most democratic countries, such as the United Kingdom, New Zealand, Australia and South Africa, do it the other way. It is not the issue now that it was last year when we had a redistribution bill before the house, but it is a matter related to the elections act and I believe it would come under the supervision of the Secretary of State. I want to express the hope that some consideration will be given to the matter by the government, by the chief electoral officer or perhaps, if the Secretary of State so arranges, by the committee.

Mr. POULIOT: That is the reverse of the medal. I am strongly opposed to the proposition put forth by the former minister for air. It is a case of pure irresponsibility. Why should members of parliament entrust redistribution to a royal commission or to a judge? What judge would know about it except one who had been a politician? Why not have the politicians do it themselves?

Mr. MacINNIS: Most judges are defeated politicians.

Mr. POULIOT: They have learned their geography by running in constituencies where they got votes. I do not want to deprecate the bench, but that is the situation. Last year the hon. member for Quebec South suggested that it should be done by judges. Judges have enough work to do if they are to fulfil their job properly. We are always complaining that there are not enough judges, and we hear that six more superior court judges are to be appointed in Quebec. The hon. member for Winnipeg North Centre, a good C.C.F. man, has more confidence in judges than I have.

Mr. KNOWLES: I did not say judges; I said an independent commission.

Mr. POULIOT: Composed of whom, brokers?

Mr. KNOWLES: A few intelligent men.

Mr. POULIOT: Lawyers, teachers and clergymen.

An hon. MEMBER: Farmers.

Mr. POULIOT: My hon. friend is right; there should be some farmers. The idea of giving everything to a commission, whether presided over by a judge or anybody else, is repugnant to me. Since confederation, and even before, the constituencies have been set up by members of parliament themselves. The senate simply ratifies the bill because it cannot affect them very much. It is our business. Why are we reluctant to do our business? It seems to be the idea of the C.C.F. that everything should be done by others. They seem afraid to assume any responsibility. They consider that when anything is done by somebody else it is a fine job. They are not sure of themselves. They do not have the satisfaction of having carried out their duty. They do not trust their colleagues.

Here we are, a bunch of Liberals, Conservatives, C.C.F.'ers and Social Crediters; I see no members of the Bloc Populaire, but that makes no difference, I shall argue even for them. I would be the laughing stock of the country if I rose in my place and said that we should pass the matter over to a commission, whether royal or princely or anything else. It is ridiculous; it is absurd. My hon. friend has not a sufficient sense of humour to realize that it is the summit of absurdity.

If it is taken seriously there will be headlines saying that the hon. member for Quebec South and the illustrious member for Winnipeg

North Centre have agreed on appointing a commission to do what the House of Commons should do, that they feel that the House of Commons cannot do it as well as a commission. It is most ridiculous.

The DEPUTY CHAIRMAN: I think all this discussion is out of order.

Mr. KNOWLES: On the point of order, I understand from an hon. member nearby that last year this matter was discussed in the committee and that it does come under the purview of the chief electoral officer. It seems to me that it is clearly in order, either with reference to this resolution or with reference to the resolution setting up the committee. I should like to have the assurance of the Secretary of State that the matter can be discussed in the committee this year.

I shall not take the time to answer the arguments of my genial friend, the hon. member for Temiscouata, other than to say that I was not proposing that we shirk responsibility. I was simply saying that we have no right as members of parliament to determine the boundaries of the seats that affect us. The history of redistribution by this parliament is not one of which we can be very proud.

Mr. POULIOT: I wish to pay a tribute to the hon. member for Outremont for the excellent work he did last year in Quebec. I do not know what happened in the other provinces, but he certainly did a splendid job. I offer one serious argument in answer to the hon. member for Winnipeg North Centre. I would remind him of two things. A distinction should be made between those appointed by order in council and those appointed by the house itself. The auditor general and the chief electoral officer are not bureaucrats. They were not put into their positions by orders in council, by the government; they were appointed by a majority vote of the house. They are both officers of the House of Commons. This is an argument which my hon. friend will quickly understand.

Mr. KNOWLES: I agree. Parliament should appoint the commission.

Mr. POULIOT: No, not at all; it is an altogether different matter.

Mr. KNOWLES: You want it in the hands of the government majority.

Mr. POULIOT: Moreover, both the auditor general and the chief electoral officer cannot be discharged unless there is a majority vote in the house.

Mr. KNOWLES: Hear, hear.

[Mr. Pouliot.]

Mr. POULIOT: Yes. Therefore they are our own officers, the officers of the House of Commons. Let my hon. friend name many others like these. There is Mr. Speaker; there is the chairman of the committee of the whole; there is the Deputy Speaker. Who else besides these are appointed by ourselves, are appointed by my hon. friend as by myself on the proposition of the government? The proposition could be made by anybody else.

Mr. KNOWLES: Will my hon. friend permit a question?

Mr. POULIOT: Yes.

Mr. KNOWLES: Does my hon. friend not understand that I am proposing a commission to deal with redistribution on the same basis? I suggest that the commission be appointed by parliament under section 51 of the British North America Act.

Mr. POULIOT: Oh, no.

Mr. KNOWLES: That is what I am trying to tell you.

Mr. POULIOT: Oh, no.

Mr. KNOWLES: I am sorry you cannot understand it.

The DEPUTY CHAIRMAN: Order.

Mr. POULIOT: It is a different matter. I still believe in the brotherhood of man and in the fraternal spirit that should exist between all members of parliament. There are rules of the house that bind us when there is no mutual consent, but with mutual consent we could drive a big limousine through the rules of the house. Why not have mutual consent with regard to redistribution? The last redistribution was, of course, fair. It is inescapable—

Mr. KNOWLES: What about the one before that?

Mr. POULIOT: The one before that?

Mr. KNOWLES: Yes, when your friend Bennett was in power.

Mr. POULIOT: It was very bad. It was impossible to come to any agreement with the men who were in Bennett's cabinet. It was impossible to discuss with them. They were abnormal, and that is the reason the redistribution was so bad. Besides that, it was their last breath; they were about to expire; they knew their unpopularity, and they tried to steal—

Mr. KNOWLES: You did the same thing; maybe this is your last breath.

Mr. POULIOT: —Conservative votes from other constituencies. But that is an exception, and the only time it happened before was when a decrepit Tory government was about to expire in 1893. It happened in 1893 and 1894 when the Tories were just as bad as they were in 1934.

An hon. MEMBER: And as they are now.

Mr. POULIOT: I will not say that; I am charitable. We are still not very far from Easter time, and therefore I want to be generous. The fact is that when the Liberals were in power redistribution was always fair.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I am serious when I say that. We were so fair that there was no complaint from the opposition. It means that it is possible for members of parliament to carry on that work successfully.

I will tell my hon. friends who are students of history that in 1893 Sir Wilfrid Laurier called the Tory redistribution of that year a gerrymander with a vengeance. He stigmatized what had been done by the Tories, and it is not—

Mr. NICHOLSON: The hon. member for Lake Centre used similar language last year.

Mr. POULIOT: My hon. friend should be the last man to quote the hon. member for Lake Centre because they never agree on anything. I will not insist too much on it because I believe in the intelligence of my colleagues and I bow to their pride as faithful members of parliament. I am so sure of what I say that I would have no objection to having the limits of my constituency not changed perhaps but supervised by the hon. member for Winnipeg North Centre. If he changed it, if he made my county smaller or larger it would make no difference to me because they are all my friends. He is too practical to waste his time on that, but I will tell him something more. Leaving aside all political considerations, I do not know whether my hon. friend is familiar with the parish organizations in the province of Quebec. It must be the same in the other provinces. I have been there occasionally, but I have not lived long enough in any other province to be able to express a definite opinion on it.

There is the parish, which is a unit. It is a complete unit. People live together, and they have some tradesmen and some farmers. To a certain extent they are self-sufficient. Then the assemblies of these units that are the parishes of the county form the county itself. There are particular boundaries between those who are within that unit. There may be wholesalers and others and the railway facilities. They join together and they go there. My idea of a redistribution is to respect and conserve these two units as much as possible and not pass the boundary of a constituency through the middle of a parish, not take a parish that has been for a long time within a county and put it somewhere else, but respect the customs and traditions of the people.

When some people are taken away from a constituency where their families have been living for a long time it creates a disturbance in their minds; it annoys them, and it causes them difficulties in their daily relations with the other people. The Canadian people have enough grounds for complaint without putting them in front of a judge who will be more compromising than anybody to create trouble. He will try to appease everybody. It will be the same thing as in Russia. The Russians have got everything by blackmail. There will be in front of a judge a party who will insist on having something unjust and create trouble by persistence. Then the judge will say, "Well, we will try to appease him"; and he will give him a slice of the other county to which he is not entitled. These are considerations with which everyone is familiar in the province of Quebec. I am sorry that my hon. friends of the west do not know so much about it; but if they come some day they will have only to let me know and I shall be glad to drive them around and show them that beautiful part of the country.

In cities it is different; there are not the same ties between people. People live in the same house and they do not know each other, but in the country it is hard to make a division like that. The ties are not so strong in large cities. Then there are certain traditions. There are people who do not know each other who sometimes go to the same store or send their children to a certain school, and when there are changes in constituencies it embarrasses them very much. All I shall pray for is that the wisdom of the hon. member for Winnipeg North Centre will be just as useful to him as he wants it to be to others.

Mr. ARCHIBALD: I wish to ask the Secretary of State a question that is not quite relevant to the point, though it is as close as I shall get to it. Last year the redistribution committee put through a suggestion, or endorsed a suggestion to which the minister gave consideration. It had reference to air

transportation in those constituencies which, like my own, cover such vast distances. Will the minister give that suggestion real consideration this year?

Mr. GIBSON (Hamilton West): I do not know that the matter is one to which I should give consideration. This bill is in the form recommended by the committee last session. The bill, in the same form, is being referred back to that committee for further consideration and for some amendments, and whatever consideration the committee feels should be given to the suggestion my hon. friend has made, will be given by the committee there. I would not care to give an undertaking as to what that committee will do.

Mr. MacINNIS: I have just one word to say. I doubt whether the hon. member for Winnipeg North Centre had any idea that he would start off so violent a debate—

Mr. POULIOT: Don't you start one.

Mr. MacINNIS: —particularly when he was merely voicing an opinion expressed by the Prime Minister last year when he introduced the redistribution bill.

Mr. KNOWLES: Hear, hear.

Mr. MacINNIS: The Prime Minister pointed out to the house that redistribution should be done by a commission rather than by a committee of the house, and some of us agreed with him. We still agree with him, although evidently some at least of his own followers do not. I think the hon. member for Temiscouata must take it that the hon. member for Winnipeg North Centre and myself are in fairly good company when we are with the Prime Minister. That being all I wish to say in that regard, I would ask the Secretary of State to make a reply to the point raised by the hon. member for Winnipeg North Centre.

Mr. GIBSON (Hamilton West): In the British North America Act it is provided that, after each census has been taken, the representation of the house will be readjusted by such authority, in such manner and at such time as the parliament of Canada may from time to time provide. The parliament of Canada then considers an act to readjust representation in the House of Commons, and when that bill is presented that is the time that any decision should be reached as to whether a committee of the house should be set up or some commission appointed. I do not think it is a matter that comes under the elections act at all but under the representation act.

[Mr. Archibald.]

Resolution reported, read the second time and concurred in. Mr. Gibson (Hamilton West) thereupon moved for leave to introduce Bill No. 198, to amend the Dominion Elections Act, 1938.

Motion agreed to and bill read the first time.

DOMINION ELECTIONS ACT

APPOINTMENT OF SPECIAL COMMITTEE TO CONSIDER AMENDMENTS

Hon. COLIN GIBSON (Secretary of State): Mr. Speaker, with the permission of the house I should like to return to government notices of motions in order to move the resolution with respect to the setting up of the committee to consider amendments to the Dominion Elections Act. I move:

That a special committee consisting of Messrs: Beaudry, Bertrand (Prescott), Brooks, Cote (Verdun), Fair, Fournier (Maisonneuve-Rosemont), Fulton, Gariepy, Gladstone, Hackett, Kirk, Lockhart, MacInnis, MacNicol, Marier, Marquis, McKay, McLure, Murphy, Mutch, Richard (Gloucester), Robinson (Simcoe East), Richard (Ottawa East), Sinclair, Zaplitny, be appointed to study the several amendments to the Dominion Elections Act, 1938, and amendments thereto, suggested by the chief electoral officer, to study the said act, to suggest to the house such amendments, as the committee may deem advisable, and report from time to time, with power to send for persons, papers and records and to print the proceedings and that the provisions of section 1 of standing order 65 be waived in respect to this committee.

Motion agreed to.

WAR VETERANS ALLOWANCES

PROVISION FOR NEGLECTED OR DEPENDENT CHILDREN, INCREASED PERMISSIBLE INCOMES, ETC.

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the second reading of Bill No. 196, to amend the War Veterans Allowance Act, 1946.

He said: Mr. Speaker, in presenting this bill for second reading I should like to make a few general remarks. At present and for some time to come, the benefits relating to this bill will apply in the main to a small proportion of the old soldiers of the first great war.

In recent times my department, this house and the country as a whole have been giving, and quite properly so, a great deal of attention to the needs of rehabilitation for the young veteran, and I should like to grasp this chance tonight to say a word on behalf of the smaller group of old-timers, contemporaries if you like of a good many of the veterans of the old war who are members of this house.

In the war of 1914-18 Canada had a total of approximately 646,000 men in the armed forces, mainly in the army, a small group in the Canadian navy, and also a small group, serving under command, with the old Royal Flying Corps, of the British.

As closely as can be checked, that old 1914-18 armed force was distributed something like this: engaged in a theatre of war, which for the old war army was confined to the continent of Europe; for the navy, on or under the sea, and for the air force, the Royal Flying Corps, a total of 353,000; a total on service, but not so defined as engaged in a theatre of war, of approximately 293,000.

The War Veterans Allowance Act, to which this bill refers, applies mainly to the first group that I have mentioned. In it I said there were about 353,000. There is no means of telling exactly how many of them have survived the thirty years since their demobilization; but, as closely as can be learned, the figure today is in the vicinity of 200,000 survivors who took part in the fighting or in the theatre of operations in 1914-18, upon the sea, on the long land trail from Ypres to Mons, and with the Royal Flying Corps when flying was in its infancy, and when to go into the air in one of the old crates was in itself a hazard.

What has happened during the past thirty years to these men who were engaged in a theatre of war? After 1919 they set about the task of becoming Canadian citizens, and it was not too easy a one. They received little help compared with the new veterans; yet they were and still are the most forceful and effective sponsors of a better chance for the new veterans. I should like to emphasize the fact that, as far as I know, not one of the old-timers has ever raised a jealous voice in that regard. On the whole they have become valuable, productive Canadian citizens. They are Canadian citizens first, last and all the time. Many of them are leaders in various walks of our Canadian life. They spurned all temptations to carry over into the peace a solid ex-soldier group, politically or otherwise, and they have stood firmly down through the years against any temptation to demand money from their country purely on the basis of services rendered.

What is the picture regarding the whole 200,000 of those who fought and who have not yet died? Of those 200,000, all but approximately 25,000 are carrying on as Canadian citizens without any aid from their country, other than compensation for some honourable war disabilities which they still carry. A little over 25,000 men therefore who, under our definition, saw battle service are at the moment in receipt of war veterans allowance. Their numbers, by the very nature of things, as they move on to the sixty, sixty-five and seventy age group, are bound to increase for the next ten years at least.

Hon. members are aware, I know, of the history of the War Veterans Allowance Act upon which this bill is based. In it our country attempted to see to it that this small portion of the 1914-18 force—as it stands now only about five per cent of the total force—should not beg on the streets. Through old age, through premature aging due to battle strain or fatigue, through physical disabilities not pensionable, through hard luck and a score of other reasons beyond their control, they are unable to cope with life in full measure. Some of them remained bachelors. An extraordinarily large number did so; as far as we can record, the number was approximately 12,000. A total of approximately 13,000 married. And with nearly all of them who married, by the very nature of things children have grown up and have now gone away.

These men all gave honourable fighting service to Canada and they should be ensured an honourable old age. For those, and for others who may yet qualify, this bill proposes more generous terms. I should like to interject here that it is only as a very last resort that these older veterans will accept aid under this act. They prefer to earn their own living just so long as work within their capacity can be found.

It is not too easy in these days of streamlined industry to keep the employment door open to men of their age. With good support from employers of labour, the good offices of the corps of commissionaires, and services set up jointly with the placement service of the Department of Labour, over 100,000 veterans of world war I have been rendered employment services since April 1, 1946, when that service really got under way in the Department of Veterans Affairs. This will to work has had its influence on expenditures under the act. Many have been enabled to give up the allowance voluntarily and a large number now happily and gainfully employed would otherwise have been a charge upon the country.

Hon. members might like to have a general outline of present war veterans allowance beneficiaries and costs. The War Veterans Allowance Act came into operation in Sep-

tember, 1930. Since that time and up to December 31 last, the following figures apply:

Total applications approved in that 17-year period	45,679
Total approved applications later cancelled on account of death or improvement of circumstances	19,573
Total as at December 31, 1947, in receipt of war veterans allowances	26,106

That total is made up as follows:

Veterans of northwest field force	145
Veterans of South African war	592
Veterans of world war I	24,606
Veterans of world war II	434
Veterans of dual service	329
Total	26,106

In addition to these men are widows and orphans, so that the complete summary as at December 31, 1947, is as follows:

	Total Number of Recipients	Amount Liability
Veterans—all wars	26,106	$12,991,995
Widows—all wars	4,790	1,934,938
Orphans—all wars	53	25,596
Totals	30,949	$14,952,529

In addition to the matter of increase, this bill rearranges what was known as "casual earnings" and raises the ceiling of permissible income under the act to $1,105 a year, or approximately $92 a month for married men and to $615 a year, or approximately $51 a month for single men. It is the intention to use the supplementary allowance to augment the recipient's income under these new ceilings. This will result in a flat increase to all recipients in an amount not exceeding $10 a month, made possible by the raising of the ceiling on permissible income.

For the purpose of dealing with the increases, recipients of the war veterans allowance will be divided into three classes by the department in working it out. Some 6,303 pensioners now in receipt of war veterans allowance will have their increase in the war veterans allowance, as well as the pension increase. Of this number, there are 3,702 married men receiving up to 60 per cent pension and 2,601 single men receiving up to 50 per cent pension. In the second class there are now 16,711 non-pensioners who are at present receiving the maximum war veterans allowance and who have no other income; and they will receive the full supplementary allowance. In the third class there are 10,284 additional recipients, also non-pensioners, who are not in receipt of the maximum war veterans allowance. They may have their allowance adjusted under the new ceiling.

It will be noted that in this bill there is the same amount of increase for both married and single recipients, that is, $10 a month in each case. In the original act the scale was $40 for a married man and $20 for a single man. I think it was pretty well an arbitrary arrangement, that the married man should get twice as much as the single man, though I do not know what the plan was. During the last war, authority was given, based on need, to increase this scale to $60 for a married man and $30 for a single man, and when the act was amended in 1946 these became the new rates. It has been considered that in this there is some degree of inequity as between the rates for single and married men. In no other veteran legislation are man and wife together paid twice the amount paid a single man; and now that a further increase is planned it seems that this inequity might be corrected.

Let me briefly review some examples. Under the proposed pension rates a 100 per cent pensioner, married, will receive $117 a month; a 100 per cent pensioner, single, will receive $87 a month. Married veteran students now receive $90 a month; single veteran students receive $60. Married veterans awaiting returns, unemployed or temporarily incapacitated receive $70 a month; single veterans receive $50. It is suggested here that the time has arrived when the war veterans allowances, married and single rates, should be brought into some conformity with the other rates I have just indicated. Consequently the new rate proposed here is $70 a month for the married veteran and $40 a month for the single veteran.

The terms of this bill, will, I anticipate, receive careful study by the special committee on veterans affairs. In the main, Mr. Speaker, this bill is a further important step toward giving the old soldier who fought for his country the assurance that in his old age his country will provide him with some defence against poverty.

Mr. A. J. BROOKS (Royal): Mr. Speaker, we have listened with interest to the speech of the minister and his recital of the history of the war veterans allowance. First let me say I agree that in the period since the war the young soldier should have been given the greatest attention, and as we know that has been done. As the minister has said, the older soldier made no complaint in that regard; he was only too anxious to assist. As a matter of fact I think the old soldier in Canada can be complimented, not only on his attitude during and since the second war, but also on his attitude since the first war. The Canadian soldier has never been very demanding of the Canadian people. When the attitude of our soldiers is compared with that of soldiers of other countries—and I might particularly mention the attitude of returned soldiers in the

country to the south of us—I believe our returned soldiers are to be highly commended. I remember that a few years ago, for instance, some of the returned soldiers in the United States marched on the capital of that country, demanding a bonus which ran into many millions of dollars.

Since the resolution preceding this bill was introduced, we have had an opportunity to review the legislation. At the outset may I say that personally I have found it disappointing, and I am satisfied that is the reaction of many hon. members. It does not contain what we expected it would. It is true that it mentions the matters of which the minister has spoken; and while we are not allowed, nor do I intend, to take it up section by section, we have certain small amendments, like the one concerning deserted children, which have something of an emotional appeal but really do not amount to very much as far as dollars and cents are concerned. There would be very few deserted children of soldiers in receipt of the veterans allowance, and I should imagine the provision in that section would cost very little. If we go on to the next section we see that it provides for an increase in the salaries of members of the pension board. I see you are stirring, Mr. Speaker. I do not intend to deal with the sections individually, I am simply pointing out that some provisions of the bill are really not very important as far as the old soldier is concerned, about whose welfare the minister said tonight we were very anxious.

This legislation is going to the committee on veterans affairs, where it will be thoroughly discussed; there need be no doubt of that. I am sorry the bill does not contain more, because I feel that in other bills which have gone to the veterans affairs committee we have been, as it were, too circumscribed in our discussion of such legislation, and this bill is just another example. It contains too little; and the committee cannot make amendments, which I am satisfied we would feel like making, in providing benefits for our old soldiers.

The minister has told us about the history of the War Veterans Allowance Act. May I say at the outset that I have always considered it one of the finest acts, so far as veterans legislation is concerned. This act was brought into force in 1930, eighteen years ago. It was considered then that there were many veterans in this country who were unable to take their place in the labour market of the country and who, indeed, were entitled to assistance.

In 1930 the veterans under the War Veterans Allowance Act were given $20 a month. That was, of course, a small sum, but it compared at that time with the Old Age Pensions Act, of which it was more or less a supplement so far as the soldier was concerned. As the minister pointed out, it has been increased to $30 a month; and now, under certain conditions, the veteran is to receive $40 a month.

In the minister's solicitation for the old soldiers of this country, I felt that Bill No. 196 should have been larger in its scope and should have given benefits to classes of old soldiers other than those mentioned in the bill. For instance, for many years in the house and in committee there has been one group of soldiers for the inclusion of which the Canadian Legion and other Canadian organizations have strongly urged. I refer to those soldiers who in the last war did not get any farther than England. To my mind those men should receive consideration and attention in this bill. I am expressing not only my own opinion, but the opinion of war veterans organizations in this country for many years. There are not many of these men, and the country would not be bankrupted if we included those men who served only in England in the last war. An estimate made in the veterans committee in 1946 placed the amount at less than $3,000,000 that it would cost the country.

In this connection I should like to read a letter I received only a few weeks ago. May I add that the letter comes from a constituent of the minister? This old soldier writes to me in these words:

> Please excuse my writing you, but I note in the *Legionary* that the legion is again going to plead the case of the vets who only got as far as England in world war I before the parliamentary committee, so I thought I would like to state to you my case. First, I was R.S.M. No. 1 of the 13th New Brunswick reserve battalion. I applied to Colonel Fowler to be allowed to go to France, and his reply was, "No, you are too much value to me." When Major Stirling took over I again applied, but the answer was the same. He went so far as to say they could get lots of men to go to France, but not to take my place. Colonel A. L. Barry now in the fisheries department, Ottawa, can and will vouch for this. I am barred from getting the war veterans allowance. Yet others who were in France but a day or two and saw no action are eligible. Hardly fair, I think. I trained and prepared hundreds of men for their job in the service.
>
> I am seventy-nine years of age, cannot work and have to live on $20 British army pension and $30 old age pension per month, and pay $10 per month rent. Tough going.
>
> I am not asking you to do anything for me, but thought I would like to write you and to state my case, as it might be helpful to others.

The point this old soldier brings out is that he enlisted, went to England, served as a sergeant-major over there and was not allowed to go to France as he had wished. Now, when

he is an old man, he is barred from receiving war veterans allowance. I know; I am sure the minister knows, and every soldier member in the house knows that there were thousands of men who went to France and who have no more front-line service than did these men in England. Yet the fact that they sailed across twenty-two miles of water makes them today eligible for war veterans allowance, while these other men who, for no reason of their own, were compelled to stay in England, do not receive it. I say that is a grave injustice and one which I personally had hoped would be corrected in the bill which we have before us tonight.

There is another class of men whom I should like to mention, and who, I hoped, would be included. These are the imperials, the men who served from 1914 to 1916 in the same war in which we served, men who fought for the same things for which we were fighting, men who, if they had not given service, might have brought about a condition whereby more men from this country would have had to sacrifice their lives. Those men came to Canada and made their homes here. For many years they helped to build this country.

In the last war they served Canada again, as did also their sons and daughters. Yet those men who in the last war served alongside Canadian soldiers, and whose sons and daughters served alongside Canadian soldiers in the last war, are not included in the bill and do not receive the benefits of war veterans allowances. I claim this is most unfair.

A few minutes ago I said this was not my own idea. I should like to read to the house some recommendations which were made by the Canadian Legion. This one was made in 1945:

> Be it resolved that the War Veterans Allowance Act be so amended that the same privileges and assistance may be granted to veterans who enlisted in the Canadian expeditionary force and served outside of Canada as are now granted to men who served in an actual theatre of war within the meaning of War Veterans Allowance Act.

That would mean the men who had served in England in the last war. The resolution referring to imperial veterans is as follows:

> Be it resolved that we endorse the present policy of the legion which has been aforestated as follows:
>
> "That we urge upon the dominion government action to extend the war veterans allowance to ex-imperial veterans under the same conditions as to Canadian veterans, other than on the question of pre-war domicile, providing such imperial ex-service men were resident in Canada on September 1, 1930, and have since resided in Canada or who may have had continuous residence in Canada for a period of 20 years."

[Mr. Brooks.]

That is, they recommend that imperial veterans who were in Canada in 1930, the date on which the War Veterans Allowance Act was passed, be included in the act, if they also served in the Canadian army during the last war. Surely that is a most reasonable request.

The cost of this was brought out in the veterans committee in 1946, at which time it was shown that the cost of including these imperial veterans would be in the vicinity of $1,900,000. That is not a tremendous amount of money, as we think of money today. Why, one of the members of the cabinet not so long ago said that a million dollars does not amount to anything. So I say we could very well afford to give these men this consideration.

The war veterans allowance has come to be regarded as a social security measure for veterans and the distinctions that have been made are distasteful. Many of these men fought side by side in the same cause. There are Canadians who served in both world wars but who did not go overseas and who are now eligible for what was hitherto known as the veterans dual service pension. There seems to be no good reason for excluding the imperial veteran of the first world war who served with the Canadian forces in Canada in the second world war. Many men served with the Canadian forces in theatres of operation in the second world war, and if we excluded the imperial first world war veteran who served with the Canadian forces in the second world war we would be discriminating as between men who served side by side in the Canadian forces under exactly the same conditions.

There are other implications of these regulations. The widow of the Canadian soldier who served only in England during the last war is excluded from receiving benefits under war veterans allowances, and there are many hundreds of these widows in Canada. They see the widow of some other soldier receiving benefits. They realize that their husbands served where they were told to serve. Any man in the army goes where he is told to go and serves where he is told to serve, in Canada, in England, or wherever it may be. I say it is unfair that these women should not have the benefits of the war veterans allowances. The same thing applies to widows of members of the imperial forces.

These are the main points that I wish to bring up tonight. I approve the supplementary allowance of $120 a year, but here again there is a nigger in the woodpile. We find that a man must undergo a means test if he is to receive this increase of $10 a month. I contend that if a man is entitled to a war veterans allowance,

if he has had his first means test, then there should be no further means test as far as he is concerned.

There is a bad moral effect. You may have two men each receiving war veterans allowances. One man may not be inclined to work; he is lazy and indifferent. He is not thrifty and does not try to improve his situation, but he is eligible for the increase from $30 to $40 a month. Then you have a man who is thrifty, who wants to work and help himself. I am sure we are all disposed to encourage that type of man. If this man works hard he may be deprived of the benefits of the war veterans allowance.

I contend that that is a great flaw in our veterans legislation. It should be so drawn as to encourage the thrifty and hardworking man and not to encourage the man who is slothful, lazy and indigent. This legislation encourages men to lie about their conditions, to conceal the facts. Unfortunately the same thing is true in connection with old age pensions. I will not say all, but because of the means test some of the older people in this country who wish to improve their condition find that they must tell some white lies about their financial position. To my mind the whole thing is wrong.

I shall not discuss this matter any further. The bill is going to the committee and the sections will be gone into most carefully. I know my colleagues on this side and probably those on the other side will wish to discuss the matter very fully. I shall be pleased to give it further consideration when the bill comes before the committee.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I presume that this bill will be referred to the veterans affairs committee where all the details will be gone into. There is one way in which the United States house of representatives is ahead of us. They do not make political speeches when a matter is to be referred to a committee. The matter is referred to the committee where it is gone into in detail, and then it is referred back to their house. That is what should be done here in the House of Commons. If we do not like the recommendations of the committee, of which I happen to be a member, we can make our own recommendations and if necessary vote against the recommendations of the committee.

Personally I hope that the veterans affairs committee will, without political bias, take into consideration those veterans who served in England only during the first great war and the imperial veterans. I say again that I hope it is done without political bias and without the hope of *Hansard* recording a multitude of views to be distributed in the respective ridings. I repeat that consideration should be given to veterans of the first great war who served only in England.

In many cases imperial veterans have lived in this country for twenty or twenty-five years or even longer and they have the right to every consideration. I do not want to discredit the position of anyone, but there are many people receiving old age pensions who have lived here for twenty or twenty-five years but who have never become citizens. They are entitled to pensions, but they have not taken out citizenship papers. After all, those who served in the British army were serving in defence of Canada and they are just as much entitled to war veterans allowances as they are to old age pensions.

I intend to foster that and carry it through in the veterans affairs committee. We had some discussion this afternoon about expediting business. I have no authority to speak for the veteran members of this house, but I believe I can speak for my fellow veteran members from British Columbia and even for all members from British Columbia on this side of the house and say we are satisfied to refer this matter to the veterans affairs committee. If we do not approve the recommendations they bring down, then we shall have our say.

Mr. T. J. BENTLEY (Swift Current): Mr. Speaker, I agree in principle with what the hon. member for Fraser Valley (Mr. Cruickshank) has just said. I have often thought that if it were intended to send a matter to a committee it should be allowed to go to the committee and then we could do our criticizing when it came back. However I would remind the hon. member for Fraser Valley that when you are in Rome you should do as the Romans do. Since I have been here this has been, I was going to say the time-honoured procedure, but it certainly has been the procedure, whether it is time-honoured or not.

I listened attentively to what the minister said and it appeared to me that he tried to make out that this bill was much better than it is. I agree in sentiment with much of what he said. It is true that the older veterans have not a spark of jealousy about the improvements in veterans affairs legislation affecting the newer veterans. My goodness, we spend years and years as members of the legion or other veteran organizations trying to improve their lot. So that when we see some improvement for the new veterans we are not envious; we are tickled to death. In that the minister was correct.

However this bill does not give the improvement to them when they become as old as

our veterans class is or for the remainder of our group who may require this kind of help. It does not improve the situation in anything like what was indicated by the eulogies that the minister paid to those old veterans, and nothing in comparison with what Canada could and should afford.

I want to point out, Mr. Speaker, some of the things—and I will not be very long; I will be as brief as I can because it was again suggested that this matter will be argued and debated in the veterans affairs committee—

Mr. POULIOT: We always listen to you with great glee.

Mr. BENTLEY: I am pleased to know that I have one good listener in the house. I appreciate it very much.

Mr. POULIOT: I said "we".

Mr. BENTLEY: That is splendid; there is more than one. That makes it plural. I am really glad to hear the versatile member for Temiscouata say that. He always says nice things to people, and I appreciate it very much.

An hon. MEMBER: When he is not angry.

Mr. BENTLEY: Yes. Like the hon. member for Royal (Mr. Brooks), we are unable to understand why we cannot re-define the word "veteran" in the act. During the 1945 and 1946 sessions of the special parliamentary committee, we had quite a lot of discussion as to what should be actually a theatre of war. Britain is actually one of those theatres. I see no reason why the veterans of world war I who served in Britain during that time, but who were subject to be sent to any theatre of action, should not be included. And I say that, having been one of those who did not remain in Britain. I went along in the mud. We believe that the act should be rewritten, so that for world war I Britain would be written into the definition of a theatre of war. This would include a lot of people, but they are people who are extremely deserving citizens and veterans in this country. I believe the minister should give serious consideration to accepting that recommendation either here or in committee.

Again the hon. member for Royal brought up another class of veterans who are not very numerous in this country but who are certainly very deserving of all the benefits any veteran has in this country. I refer to those who served in the imperial forces but did not have the residence, or were not domiciled in Canada prior to their enlistment in the imperial forces. These people came over after the war and settled here in some industry or work or in business or on farms. They became part of the community and likely are citizens now. Probably they have families here as well as interests. They are going to stay here. We of this group believe that they should be included in all the benefits, and that section or provision which requires that they should have been domiciled here before enlistment should be struck out and those citizens treated as they should be.

Another thing that I find it difficult to understand, and people with whom I have talked have told me that they find the same difficulty, has to do with those who have not yet reached the age of sixty so far as men are concerned and fifty-five so far as women are concerned, which the act requires. Generally, although there is a provision in the act that the war veterans allowance board may look sympathetically on claims of people who are below that age but otherwise qualified, we believe it should be more generous, and we believe that the treasury board should not only permit but encourage the war veterans allowance board to be more generous with these people who are not yet of the age but who are incapacitated for some reason or another, burnt out, before they reach the limit of age in the act.

Next is something that we have had many debates on since I have been here and have tried to prevent. That is the cost of living which has gone up tremendously, but at no time has the allowance paid to war veterans been large enough to take care of their needs and keep them in comfort. It has been a bare existence under any circumstances. I believe it was not until the war that it was even increased by order in council from $20 to the $30 that it is now and eventually worked into the statute by legislation. We believe at the present time that, because of the high cost of living, the allowance should be increased, not by the amount mentioned in section 8 of the amendment but to $50 a month for a single veteran, with a corresponding increase for a married veteran. We see no reason why a veteran who has had the misfortune that the minister speaks about—I believe the description he gave of what happened to some of them was just plain hard luck—and is burnt out should be in any different position from that of one who was actually burnt out or disabled because of war services. I say that because these veterans are just as needy and require just as much comfort, care and security as the ones who were disabled by war conditions or by war action. Therefore we believe that the allowance should be raised. I do not think it would cause a great strain on the treasury board and break their purse-

strings entirely. I believe this country can afford it a lot better than it can afford some of the things which will be carried on over the next year by our government unless, of course, they give us an opportunity to defeat them this summer some time, which I hope they do.

I should like to mention something else, which is not mentioned in the amendment. In the original act, and very largely in this bill, besides his actual amount of $365 a year a veteran is allowed to have an income of $125 from some sources, casual earnings of $125 if he can earn them, and an investment earning of $25. I see no reason why the incomes from these sources should be specified as coming from different sources. Why not say that he can have it from any source up to a certain amount if we are to continue to apply the means test which, incidentally, I do not believe in; but I know it is there and is likely to remain? We believe that all these various sources of income should be grouped in the amount that he is allowed, and whether he gets it from interest on a war bond or from rentals from some little property he may happen to own or whether he earns it, or by whatever means he happens to get it, it should be in the aggregate and not specified in different amounts.

Another matter that is not dealt with here—and I am surprised that it has not been given consideration by the government, by the minister and by his officers—is the case of a veteran who qualifies in every respect for a war veterans allowance, but who has not lived in Canada for three months prior to the decision to grant him one. A burnt-out veteran is just as badly off if he lives in Arizona or in Iowa as if he lives here. If he requires that his place of residence should not be here, if he needs the allowance he should get it; if he wants to live in some other place because of his health—or it may be a matter of sentiment; since he cannot work any more, or because he wants to spend his old age in the place of his childhood—is there any reason why sentiment of that kind should be penalized? I suppose almost everybody in this house could see some reason for anyone wanting to do that if he were able to do so. We say he must live in Canada, where the eagle eyes of the means tester can look down the back of his neck all the time to see that he does not earn one more nickel than the act allows. I do not think that is dignified treatment for a veteran. If he can qualify in all respects, then his place of residence should not be a deterrent to his receiving the war veterans allowance. At the present time he may live here, he may qualify, he may get the allowance. Then, after two or three years he may feel that he would like to move out, but the moment he crosses the border and enters a foreign country he ceases to be entitled to that war veterans allowance. I know it does not say so exactly in the act, but if there is any dispute about that I can quote from a letter I received from the pension commission pointing out that that is the case in one particular instance to which I drew their attention.

Another thing I want to mention is this. The war veterans allowance is not payable to the married veteran and his wife as having married status if they live apart. This again is very unfair and undignified. The man is, of course, the breadwinner. He is the one who should provide for his family, and as long as he is working and is able to provide for them we expect him to look after his wife and children. That is proper and we have a right to expect it. But the moment something happens to him and he is no longer able to support them, possibly because of inability to work, though he and his wife may have spent forty years together, they find it necessary now to split up, one living with one married child, with whom there is room, the other living with another. The moment they are split up because of their financial condition, the veteran ceases to be entitled to war veterans allowance except under single status.

That, Mr. Speaker, is unfair. The allowance should be generous enough, the administration should be generous enough and the whole spirit of the act should be generous enough to say to the veteran: We should like both you and your lifelong spouse to be able to spend your remaining years together if you so desire, and therefore we will make it possible for you to do so.

I know it will be said there are a few veterans who are so cantankerous that their wives cannot live with them, and I think it may be said there are some men who are not veterans who are also so cantankerous that hardly anyone can get along with them. There may be exceptional cases, but in the main I believe the veterans want to continue their married status. They do not want to split up. When, however, they have to separate because of poor financial conditions they should not be deprived of the veterans allowance. I do not think they should be deprived of it merely because they have decided that it is necessary for them to separate under those circumstances.

There are a number of other criticisms that I should like to offer, but I do not want to take up too much time, because the matter is going to the committee and no doubt others will deal with them. On the points I have presented tonight to the house and to the

minister I would ask that serious and sympathetic consideration be given, because I believe that every single one of them is justifiable, every single one of them is possible, every single one of them will do a great deal to bring a measure of happiness and contentment to the few individuals in the class we are speaking of who are still left, and it will give some sense of security to some of the veterans of this war who some day will have to face the same condition as some of our older veterans have to put up with.

Mr. QUELCH: Mr. Speaker—

Mr. JEAN FRANCOIS POULIOT (Temiscouata): Mr. Speaker, I do not wish to take up much more time, nor do I wish to take the place of the hon. gentleman, but since I do not belong to the committee I have some remarks to make to the house and to the minister right now. There are not many individual cases that I wish to mention tonight, although I have many files of cases that are pitiful and deserve special consideration.

There are two different bodies. There is the pension commission and there is the war veterans allowance board. If the pension commission were functioning normally there would be no necessity for the war veterans allowance board. It is precisely because the pension commission are procrastinators and never give the benefit of the doubt to the men who apply to them that we must have the war veterans allowance board, and in this respect I will tell the minister that I wish to pay special tribute to his parliamentary assistant, the hon. member for Rosthern (Mr. Tucker). How many times did I not have difficult cases where the pension commission procrastinated so much that nothing could be done! I went in all confidence to the hon. member for Rosthern and explained the matter to him and the department was telephoned to in order to try to get something done. Among hundreds of cases I will mention one.

Mr. NICHOLSON: Has he not resigned? He is no longer parliamentary assistant, is he?

Mr. POULIOT: I do not know the personal dealings of the hon. gentleman with the department—

Mr. NICHOLSON: He is in Saskatchewan now.

Mr. POULIOT: —but I spoke to him last week about a case and he was kind enough to telephone. I do not know whether he has resigned, but when someone is kind to my constituents it is a thing I never forget, and if the hon. member for Rosthern had resigned ten years ago I would speak as I do tonight.

[Mr. Bentley.]

I do not speak to ask favours of him; I do not need them; but I know he is fair enough to fight the cases of men and women who are deserving. And, sir, I will mention an abomination that happened during the war.

A certain young man was in the army and there was a fire. He was a very delicate fellow—I knew him well—and he went to the fire, worked there, and contracted a cold which turned into pneumonia. He fell dangerously ill. He received the last rites of the church, and after that some officers came to him and said, "You must sign a paper so that your mother will have a pension." He was very sick. I do not know whether they held his hand, but the paper was signed. It was a resignation from the army, and instead of giving an opportunity to his widowed mother to get a pension it deprived her of all pension. He died a day or two afterwards.

It was an abomination, and the men who did that should have been whipped. The mother applied for pension and got nothing. Finally I brought the case before the predecessor of the present minister and he decided to give an allowance of $40 a month to the mother. It is a pitiful case where the pension commission has been more stupid than ever, where officers have behaved very badly, shamefully, and where an allowance was some kind of help to that widow.

This is a fact and I could mention many facts like it. The trouble we have now with the pension commission is that they never give the benefit of the doubt to the returned man. I have within my knowledge cases of men who have been declared fit, who have been accepted in the army and who have served for a long time. I have in mind the case of one man who was on guard duty at the forts at Levis. He was outside, and had no place to warm himself when it was cold, when the wind was blowing fiercely in the winter and when there were snowstorms. He lost his health. I asked for a pension. I was told that his illness was anterior to his enlistment. How is it that some of the medical corps were accepting these soldiers into the army as fit? They served well. They followed the orders they received. Yet after they had served for some years they were not entitled to any pension and got nothing at all. I obtained no allowance for that man. He lost his health; yet he had nothing at all. His illness or his disability was said to be anterior to his enlistment.

All those doctors should be crucified. I have said on many an occasion that a large number of medical doctors were the scum of the medical profession. I received letters of protest, and to those who were protesting I sent the

issues of *Hansard* in which the facts and figures were mentioned, to the shame of the medical profession. One day the dean of the faculty of medicine of one of the universities wrote to me complaining of my language. I sent him *Hansard* which was just like a document produced in court. He said, "Well it is very sad." It was sad and unfortunate, but nobody was punished.

I have another case, that of a widow who has been deprived of a pension. This is a Toronto case, where a man was suffering from acute appendicitis. The doctor gave him a strong purgative and the poor boy died. The doctor was a murderer.

The ACTING SPEAKER (Mr. Golding): Order. I would call to the attention of the hon. member the fact that this is an act to amend the War Veterans Allowance Act. It does not deal with the Pension Act at all.

Mr. POULIOT: I know, Mr. Speaker, but it is correlative. It is precisely because the pension commission is inefficient that we must ask for an allowance. In the first case I have shown the necessity of an allowance. I have mentioned the case of that poor woman. Although I very often disagreed with the predecessor of the Minister of Veterans Affairs, in this case he accomplished an act of deserved charity. He did not always do that; but on that occasion he did well, and I give him credit.

I do not wish to insist on that point, Mr. Speaker, but I will ask the minister if there is any possible means of bringing the pension commission to their senses and making them understand that if the returned man, whoever he is, has a right under the statute, he should be given the benefit of the doubt. I do not say that on behalf of any particular class of veterans; I say it on behalf of all veterans. They are either entitled to something or they are not.

My contention is more than that, as I said before. It is that if the pension commission were working properly, there would be no need at all for any allowance to anybody, and the man would have his pension. The difference between the pension and the allowance is that the pension comes as of right. There is no humiliation when a returned man accepts a pension. He receives what is due to him. An allowance is a gift from the state, which is not at all the same thing. The allowance hurts the pride of the soldier and that of his relatives, whereas a pension does not. It is precisely because I have the highest respect and admiration for our soldiers that I hope the pension commission will receive definite instructions from the minister so that there will be the least possible to do under the War Veterans Allowance Act.

Mr. VICTOR QUELCH (Acadia): We in this group, Mr. Speaker, are glad that the government have seen fit to bring down this bill amending the War Veterans Allowance Act, if for no other purpose than to have it thoroughly discussed in the veterans affairs committee so that the various veterans organizations can make representations regarding it. Amendments to this act are long overdue, but I am afraid that the proposals contained in this bill fall far short of those required to deal adequately with the situation. When the minister spoke he paid a fine tribute to the old veterans, and one that was well deserved. However, after listening to the minister, it is hard for me to understand how the government can bring down a bill of this kind and consider that they are doing justice to the returned men.

The War Veterans Allowance Act was first introduced in 1930. It made an allowance of $20 a month available at the age of sixty to the veteran who was permanently unemployable and who had served in a theatre of actual warfare. It has often been said that the act was recognition of the fact that a veteran had pre-aged by ten years and that, therefore, the old age pension was being made available to him at sixty years of age instead of seventy. I think it is well to keep in mind that fact and to note that at the present time the amount of the old age pension is in excess of the amount of the war veterans allowance. Later on the age limit was reduced below sixty years where the veteran was unable to maintain himself because of disability; some classes of widows were introduced and the amount of the allowance was increased to $30 a month.

The foregoing short summary, I think, goes to show that the war veterans allowance may be considered as the veteran's last resort. When he is unable to get a disability pension because of some technicality in the act or is, on the other hand, too old to work, he can apply for the war veterans allowance; and all he can get under the act is $30 a month. The same is true for the non-pensioned widow. I think all hon. members will agree that $30 a month today is not a living allowance. All that $30 a month does is to permit a veteran to struggle for an existence. As I have already said, he is not as well off as the old age pensioner. The new bill does not propose to increase the amount of the allowance. It merely provides for a supplementary allowance that may be paid in case of need, if need can be shown. Then the increase is limited to $10 a month for both single and married veterans. The new bill

also increases the amount of permissible income from $125 to $250 for single veterans and from $250 to $375 for married persons. But it cancels the provision for $125 casual earnings. Therefore it is true that the bill does bring about some improvement in the act. On the other hand, that improvement falls far short of what is required to deal adequately with the situation. The Canadian Legion and the Canadian council of veterans associations have asked that the allowances be increased to $50 for a single veteran and to $100 for a married man. That is to say, the national council of veterans associations has asked that the allowance for a married veteran be increased to $100, while the legion has suggested that it be increased to at least $85.

I know the question will immediately be raised as to whether or not the country can afford allowances of this size. Well, whenever that question is raised my mind always goes back to the veterans committee of 1936, when we were considering both the war veterans allowance and the matter of pensions. We were told by the minister of the day that unfortunately it was not so much a question of what the veterans should have but rather a question of what the country could afford; and he went on to say that the country was bankrupt. It may be true that the country was bankrupt at that time, because we were suffering under the financial policies of Hon. Charles Dunning, which in itself was enough to bankrupt any country. But that is not the situation today. Today conditions are far different from 1936. I noticed that the Canadian Press quoted the Minister of Finance (Mr. Abbott) as saying on April 2 that Canada is enjoying a boom of unprecedented proportions, even though the people do not seem to be aware of it. Well, if the minister is aware of it that is something. It is only natural that the people would not appreciate it when they see veterans having to subsist on a miserable pittance of $30 a month, and old age pensioners receiving only $30 a month as far as the federal government is concerned. However, when we consider that today the national income is around $13 billion as compared with $4 billion in 1936 no one can argue, as it was argued in 1936, that we cannot afford to deal adequately with the veterans of this country.

The government have talked a great deal about our moral obligation to look after people in foreign countries, and we in this house have voted hundreds of millions of dollars to help those people. I should say the first obligation of this country is to look after those men who fought and made victory possible, and that should be considered a first charge against the national income before consideration is given to the needs of people in other countries. After all, there is an old saying that charity should begin at home. Well, veterans are not asking for charity. They are merely asking for fair compensation for themselves and their dependents for services already rendered. I think it is time the government put an end to the hypocritical paying of lip service to these men, and instead dealt honestly, fairly and squarely with them.

I want to give just one example of the type of niggardly assistance being given to veterans under this act; and mind you, Mr. Speaker, when I say this I am not for a moment criticizing the administration of the act. My experience has been that the people administering this act go just as far as the act permits; but that is all they can do. I know of a case right here in the city of Ottawa, of a veteran who has reached the age of seventy-nine years, while his wife is well over seventy. He was awarded a full pension of $60 a month for the two of them; but that was reduced to $38 a month because the veteran found he could not live on $60 and managed to get a few hours work a day which brought him in $10 a week. So his pension was reduced. He was paying $45 a month in rent. It was suggested by the investigator that perhaps he should find cheaper accommodation, but the investigator frankly admitted that she did not know where he would be able to get another apartment at that or any other price. If it is to be argued that a veteran is paying too much rent for the apartment in which he lives, then I think those administering the war veterans allowance will have to accept the responsibility of finding him cheaper accommodation. As long as he has to pay that rent that must be recognized as one of the expenses he has to meet. In view of the fact that this veteran's permissible income had been exceeded, he had to pay back a certain amount of money. I am glad to say that, instead of stopping his allowance entirely, the administration deducted $3 a month in order to make up the amount he had been overpaid, which of course further reduced his pension to $35 a month. The point I want to make is that this veteran is seventy-nine years of age and his wife is over seventy. He never applied for any assistance until he was seventy-seven; yet they had to check up and by the act they were forced to reduce the amount of his allowance in view of the fact that he was exceeding his permissible income. I believe that this question of the permissible income is something that should be carefully investigated. In my opinion that permissible income should be

increased to a figure which would make it possible for a veteran to live in a city where rents may be higher than in certain other parts of the country.

We of this group believe that the War Veterans Allowance Act should be amended to provide for the following changes. We believe that there should be an increase in the allowances to $50 a month for a single veteran and to $100 for a married couple. We believe that the means test should be eliminated; or, if the government cannot see its way clear to go that far, that at least the permissible income plus the allowance should be equal to the amount of income tax exemption, which at the present time would be around $1,500 for a married veteran. We believe that, for the purposes of this act, England should be considered a theatre of actual warfare in regard to world war I; that already is the case with respect to world war II. As far as world war I is concerned, a veteran who got only to England is not eligible for a war veterans allowance. When we remember that many of those veterans who enlisted for overseas service and got to England were only too anxious to go farther but were not allowed to do so, it does not seem fair that at this stage of the game they should be barred from the benefits of the war veterans allowance purely for that reason. Furthermore we believe that the benefits of the act should be made available to persons who served during world war I as a member of His Majesty's imperial forces, whether or not he was domiciled in Canada just prior to the outbreak of war. I have had cases of veterans who had been domiciled in Canada for a number of years prior to the war but who went to England perhaps two or three months before war broke out. I had one case of a veteran who went overseas because of the illness of his father. It was ruled that this man was not domiciled in this country because he was in England at the time war was declared, and as a result he has been denied the benefits of the War Veterans Allowance Act.

These are matters which we believe should be thoroughly discussed in the committee, and we are hoping that when this bill goes to the veterans committee some of the changes we have suggested may be brought about. Most of the suggestions I have outlined I think were also made by hon. members speaking for the C.C.F. party and the Progressive Conservative party. As a matter of fact they are suggestions that have been made for a number of years by the various veteran organizations in this country. If the government are really sincere in their desire to see that the old veteran gets a square deal, then they should find ways and means of making these suggestions a reality. As the hon. member for Fraser Valley (Mr. Cruickshank) has stated, this bill it to be referred to the veterans committee, of which I am a member. Therefore I shall not say anything more at this time but will reserve any further remarks until the legislation is considered by that committee.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, as the minister said when he was introducing the bill, the benefits of the War Veterans Allowance Act applied principally to the veterans of world war I. There are a few recipients of allowances who served in previous wars, such as the northwest field force and the South African war. There are a limited number of veterans who served in world war II and who are eligible for the allowance. In the main, however, they are men of the first world war.

I should like to call attention to the spirit of those times, the conditions which existed in 1914. That was the first citizen army war in more than a hundred years. It had been over a hundred years since the Canadian citizen had taken up arms in the defence of his country. When 1914 came there was a rush of men to join the various regiments, and they proceeded overseas. There was very little information upon which to build veterans rehabilitation schemes when the war came to an end.

In this connection I would quote the remarks of the present deputy minister of veterans affairs in a speech he made in 1943, which I think indicates the rush that existed for men to get discharged from that war. He states:

> The principal problem at the conclusion of the first world war was in the fact that Canada, with a population of about 8,000,000 at that time, had to fit back into civilian life approximately 423,000 men within less than a year. All wished to return to civilian life as quickly as possible.

I would emphasize the words: "all wished to return to civilian life as quickly as possible." The men of those years were not pension conscious. A great many men who perhaps had received some small disability, either by war wounds or exposure in the trenches, were anxious to get back into civilian life. They did not bother about declaring their disability. As time went on, those disabilities, not being declared, began to weigh more heavily on the men. And as the years advanced, the men became more and more dependent upon any pension or any allowance they might receive.

This war veterans allowance is really a form of retirement scheme for ex-servicemen who have fulfilled service conditions. I suggest that in a way it is really a contributory retirement

scheme, because the men made their contribution in service in the trenches, instead of making it as a monetary contribution, as they might have done had they stayed at home.

As I have said, the cost of living has gone up since those days. Men have become more and more dependent upon whatever allowance or pension they may receive from a pension scheme or by way of allowance.

Listening to the build-up given, and justly so, by the minister to the services rendered by these men, I could not help repeating the words of the hon. member for Royal (Mr. Brooks) when he said that Bill No. 196 is most disappointing. It has certainly not gone as far as the veterans had hoped it would go, nowhere near as far. It is disappointing in many respects. And I think it is particularly disappointing after the encouraging statements made by the Minister of Finance (Mr. Abbott) in New York a week ago, as reported by the Canadian Press. After describing what a prosperous state Canada was in and how we were experiencing boom conditions, he went on to say that in a few weeks time he would be reporting to parliament in his budget speech, and that he would be able to declare a surplus which would bring a glow to the heart of any Canadian finance minister. I suggest that the puny increases authorized or suggested in this bill will not bring much of a glow to the hearts of those old soldiers who will receive only this pittance. There is no warmth in this bill to bring a glow, even to the tips of their fingers.

It seems to me that the principle upon which the framers of these amendments have worked is to give the smallest amount possible to the fewest number of men. The increases in the allowances are referred to as a supplementary allowance of $120 a year, or $10 a month, which may be allocated to a recipient at the discretion of the board. It is not automatic, but the board will decide whether that amount of $10 a month, or a lesser amount, is to be given to the veterans. The increase is not automatic; that has been declared by the minister in the house.

I suggest that, unlike the Pension Act where we were told that the cheques were ready for issue before Easter, there are no cheques ready for issue in connection with this measure. Those who will hope to get increases will have to have their cases reviewed by the board, and the decisions will be made no doubt in accordance with the regulations as hinted by the minister in his opening remarks. Certain regulations will be laid down for the guidance of the board; but a discretion will be left with the board as to how much they will increase the allowance or allow by way of a supplementary allowance. I suggest that is all going to take time. These various cases will have to be reviewed. Time will be required and additional staff will be needed to look after all these cases.

Mention has been made of the permissible income. The impression was given, I thought, that there had been some increase in the permissible income. That is the amount of money that man may receive in addition to his allowance. The amount of money he may earn was classified under different headings, such as casual earnings for a single man of $125 a year, other income for a single man of $125 per annum and then unearned income of $25 per annum.

The former minister of veterans affairs informed me last year that the term "other income" was interpreted by the war veterans allowance board to mean income derived from any source; that is, investment, pension, superannuation, insurance payments, rentals, et cetera, or as a result of earnings as a gardener, plumber, carpenter or as any other type of artisan.

What has happened, and I think there is some reason to think there has been some improvement, is that casual earnings and other income have been amalgamated, making a permissible income other than allowance for a single man of $250 per annum. That is not a large amount to go out and earn. A man is hardly encouraged to go out and earn that extra amount. I would call your attention Mr. Speaker, to the fact that pensions are included in permissible income.

There has been an increase in pensions. A recipient of a war veterans allowance might have an 18 per cent disability pension. Under the old rates he would draw $11.25 a month in pension; his allowance, allowing for the pension he was authorized to receive, would be $29.58 a month, making a total of $40.83 a month. Under the new rates of pension which are increased by 16 per cent, he would receive $13.05 a month, but his allowance would be reduced by virtue of the fact that the pension has gone up. My interpretation of the act is—I hope the minister will correct me if I am wrong—that with the new pension rate the allowance would be only $27.78 a month, still making a total of $40.83 a month.

While there has been an increase in one case, there has been a decrease in the other. The war veterans allowance recipient has gained through the increase in his pension, but he has lost in connection with his allowance.

I think that ought to be corrected, because that is hardly what was expected by the veterans when they were hoping to get an increase in their allowances.

I have some other remarks to make in connection with the failure to extend the benefits of this act to other groups of veterans, but I am afraid I cannot get through in the two minutes still left before eleven o'clock, so that I should like to move the adjournment of the debate.

On motion of Mr. Pearkes the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: Tomorrow we shall continue the debate on the second reading of this bill and, I hope, conclude it. Then there will be the resolution standing in the name of the Prime Minister to appoint a joint committee of both houses on human rights and fundamental freedoms. Then there will be second reading of the bill to amend the Dominion Elections Act, which I understand is to be referred to the special committee that was established this evening. Then second reading of Bill No. 47, to amend the War Service Grants Act, 1944, and the second reading of Bill No. 60, to amend the Veterans Insurance Act. If there is time we shall take up the resolution providing for the introduction of a bill to amend the Vocational Training Co-ordination Act which stands in the name of the Minister of Labour.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, April 9, 1948

The house met at three o'clock.

SALMON FISHERY

PERMISSION TO EXPORT RAW SALMON—RETENTION IN CANADA OF RAW SOCKEYE, PINKS AND CHUMS

Hon. J. A. MacKINNON (Minister of Fisheries): Mr. Speaker, I wish to refer to a matter of special importance to management and labour engaged in the salmon fishery industry in British Columbia.

As members will recall, the government late last fall withdrew its control on the export of certain species of raw salmon to the United States. This permitted United States buyers, who were offering higher prices, to obtain substantial quantities of Canadian raw salmon which otherwise would have been canned by our industry for domestic and export markets. Our canners, thus deprived of the raw materials, were obliged to suspend salmon canning operations in the latter part of the season.

The government has been concerned with the possibility of a more serious dislocation of salmon canning throughout the 1948 operating season. Separate submissions were heard from representatives of the canners, labour union and co-operatives, all of whom desired the maintenance of the British Columbia canning industry, notwithstanding some differences of opinion as to the sharing of their respective responsibilities in meeting this end. The government feels that some corrective steps must be taken to safeguard both fishermen and management. The most desirable solution seemed to be a measure of stabilization of the canning industry while at the same time assuring increased export of the raw material to the United States.

I wish, therefore, to announce that, effective immediately, British Columbia fishermen are permitted to export to the United States unrestricted quantities of raw spring salmon. Export of raw coho is also permitted, but only up to September 1 of this year.

Raw sockeye, pinks and chums, will be retained in Canada.

I want especially to emphasize that this decision is simply a ruling that is designed to give balanced treatment to management and fishermen. It is not an embargo. It necessitates, of course, reasonable compromises on both sides.

I am satisfied that the decision reached by the cabinet will provide equitable safeguard for management in maintaining its canning industry and for fishermen by leaving the way open for them to take advantage of the higher prices paid on the United States market for springs and coho.

I might add here that the normal export to the United States of all species of canned, salted, smoked, cured frozen salmon is not, of course, affected by the ruling.

Mr. MacINNIS: May I ask a question of the Minister of Fisheries? He said that this regulation did not constitute an embargo.

Mr. MacKINNON: It does not.

Mr. MacINNIS: Does it mean that, despite the regulation, sockeye, pinks and chums may not be exported, and if they may not, isn't that an embargo?

Mr. MacKINNON: It may be construed as a partial embargo, but it allows certain species of salmon to be exported to the United States market, retaining others at home.

Mr. PEARKES: Can the minister say what steps are being taken to ensure a market for all the salmon that can be canned in our canneries?

Mr. MacKINNON: From our conversations with the industry, and it is the opinion of our own officials, we believe that the catch which will be canned this year in Canada will find sufficient markets, domestic and foreign.

On the orders of the day:

Mr. ARCHIBALD: I should like to ask a further question of the Minister of Fisheries. Owing to the fact that the embargo on chums is a serious blow to the fishermen's co-operative on the coast, will the minister consider referring this matter to the fisheries committee where the co-operatives could present their case?

Mr. MacKINNON: We have gone very fully into the matter, Mr. Speaker. We listened to representations from the fishermen's union, the co-operatives who are both fishermen and canners, and the canners. I

think the decision we arrived at, and which I have just announced, is a fair settlement of the difficulty at the present time.

[*Later:*]

Mr. MANROSS: I should like to ask a question of the Minister of Fisheries. Now that he has taken care of the sockeyes, chums, and pinks, will he try to export the reds?

TREATIES OF PEACE

MEASURE WITH RESPECT TO TREATIES BETWEEN CANADA AND ITALY, ROUMANIA, HUNGARY, AND FINLAND

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to provide that the governor in council may do such things as to him appear to be necessary for carrying into effect the treaties of peace between Canada and Italy, Roumania, Hungary and Finland, respectively; and for that purpose the governor in council may make appointments, establish offices and make orders or regulations; and to provide further that any expense incurred in carrying out the treaties shall be defrayed out of moneys voted by parliament.

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

Motion agreed to.

PRAIRIE FARM ASSISTANCE ACT

AREAS SURVEYED AS SETTLEMENT OR RIVER LOTS—LAND IN ELIGIBLE AND INELIGIBLE TOWNSHIPS

Right Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to provide that the act may apply to areas surveyed as settlement or river lots, to provide also that where a farmer has land in an eligible township and land in an ineligible township payment may be made to him to the full amount of his eligible land, and for the purpose of clarifying certain provisions of the act.

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

Motion agreed to.

[Mr. MacKinnon.]

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS RESPECTING CONTRIBUTIONS, PROCEDURE, OFFENCES AND PENALTIES

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act, 1940, to enlarge the scope of the act, to clarify certain provisions thereof, more specially in relation to contributions, procedure, offences and penalties, and to provide further for modification in the rates of contributions with the object of equalizing, to some extent, the total contributions payable by employers and employees.

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

Motion agreed to.

VETERANS REHABILITATION ACT

EXTENSION OF ALLOWANCE PROVISIONS

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to present a bill to amend the Veterans Rehabilitation Act by extending the allowance provisions in respect to persons coming under the provisions of the act.

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

Motion agreed to.

FREIGHT RATES

FEED GRAIN — QUESTION OF PROVISION FOR PAYMENT OF FREIGHT WEST INTO BRITISH COLUMBIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Agriculture. Yesterday in answer to a question asked by the hon. member for Queens (Mr. Douglas) he stated that assistance would still be continued on feed grain going east. My question is this: Will the same procedure apply to grains going west into British Columbia?

Right Hon. J. G. GARDINER (Minister of Agriculture): Yes. The fact of the matter is

that the order in council with regard to both east and west is being extended to cover the period down to July 31, 1949.

For the benefit of the house and others outside the house I should like to say that I understand that yesterday a dollar a ton was added to the cost of feed in eastern Canada because of the fact that there has been a twenty-one per cent increase in freight rates. This morning we sent out word that since the government is paying the freight, whether it is increased or otherwise no one should find it necessary to add anything to the cost of feed.

CANADIAN WHEAT BOARD ACT

NECESSITY FOR COMPLEMENTARY LEGISLATION BY PROVINCES

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): May I direct a question to the Minister of Trade and Commerce? Will the minister inform the house whether the government considers that complementary legislation by any or all of the provinces is necessary to make effective Part IVA of section 29A of Bill 135?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): In introducing the resolution to the bill, Mr. Speaker, I thought I made the government's position clear on this point. I stated that complementary legislation was necessary from the provinces of Alberta, Saskatchewan and Manitoba. The province of Saskatchewan has passed complementary legislation; the other two provinces have not. I also made it clear that this government had done its share in opening the door. The Canadian council of agriculture made representations to this government which the government thought deserved action, and action has been taken. I understand that the same representation has been made to each of the three prairie provinces; and the government believes that if either of these two prairie provinces does not take the same view of the situation that was taken by the dominion government, it is an indication that the majority of the people in that particular province do not favour the legislation.

Mr. KNOWLES: Not at all.

FEED GRAIN

CORRESPONDENCE BETWEEN ALBERTA AND MANITOBA AND THE DOMINION GOVERNMENT

On the orders of the day:

Mr. ROBERT FAIR (Battle River): I should like to ask a question of the Minister of Trade and Commerce. Has any correspondence taken place between the provinces of Alberta and Manitoba and the dominion government in connection with the government's policy with respect to the price of coarse grain, and have the questions asked in the correspondence been satisfactorily answered?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): It is difficult for me, Mr. Speaker, to keep in my mind all the correspondence I receive, but I think I am right in saying that there has been no discussion of price with the province of Alberta. In regard to Manitoba, certain questions were asked and answered to the best of our ability. The answer was that we would expect an agreement between the eastern consumers and western producers as a basis for a price, and I understand that discussions are proceeding to determine such a basis.

Mr. KNOWLES: The Tories seem to be in control of the coalition government in Manitoba.

Mr. FAIR: May I ask a further question in that connection? Is it not a fact that the work of the Canadian wheat board is to sell the producers' grain at the highest price obtainable?

Mr. SPEAKER: Order.

OLEOMARGARINE

REFERENCE TO ARTICLE IN MONTREAL "DAILY STAR" —SUGGESTED IMPORTATION TO RELIEVE BUTTER SHORTAGE

On the orders of the day:

Mr. JAMES SINCLAIR (Vancouver North): I should like to direct two questions to the Minister of Trade and Commerce, occasioned by a front-page article in the Montreal *Daily Star*. First, did the government recently make inquiries about the importation of oleomargarine from Denmark to alleviate the present butter shortage? Second, if this is so, how do the government propose to get around the provision of the Dairy Industry Act which prohibits the importation or sale of oleomargarine?

Mr. CRUICKSHANK: By paying the farmer more.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The answer to the first question, Mr. Speaker, is no; and the second question is answered by the answer given to the first.

FLOOD CONDITIONS

ETOBICOKE CREEK—REQUEST FOR GOVERNMENT ACTION

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask a question of the Minister of Public Works. Has he received any reports as yet with regard to floods in the Toronto island district and around Etobicoke creek? If so, what action is to be taken?

Hon. ALPHONSE FOURNIER (Minister of Public Works): I have received some correspondence and petitions from the people of Etobicoke stating that they are sending a delegation to see me next week—I cannot say exactly the date; then I will hear what they have to say about the flood conditions.

Mr. CHURCH: The hon. gentleman and the government seem to have made no progress in respect to floods since the days of Noah.

Mr. FOURNIER (Hull): Two or three times before Easter recess I mentioned that when floods cause damage to works belonging to the federal government, we attend to the repairs. When such damage is caused to works or lands belonging to municipalities or provinces, we believe those bodies should take care of the repairs.

Mr. CHURCH: And in the meantime we get no action.

INCOME TAX

INQUIRY AS TO ALLEGED STATEMENT BY MINISTER OF AGRICULTURE

On the orders of the day:

Mr. MAX CAMPBELL (The Battlefords): I should like to ask the Minister of Agriculture if he made a statement in western Canada recently to the effect that farmers not liable for income tax were not obliged to fill out income tax forms.

Right Hon. J. G. GARDINER (Minister of Agriculture): I made the statement in western Canada recently that the income tax act provides in subsection 1 of section 33 that persons, whether farmers or not, who are eligible for the payment of income tax are required to fill out the income tax forms, and that there is no compulsion on any others to fill out the forms. I added that this is so, with the exception of what is provided by subsection 2 of section 33.

Mr. J. G. DIEFENBAKER (Lake Centre): In view of the fact that there may be some uncertainty arising from the legal opinion given by the Minister of Agriculture, I wonder if the Minister of National Revenue agrees with his colleague's interpretation of the law with respect to the filing of income tax returns.

Hon. J. J. McCANN (Minister of National Revenue): In order that there may be no confusion with respect to section 33 of the Income War Tax Act concerning returns, I should like to read that section, which comes under part V of the act:

(1) Every person liable to taxation under this act shall on or before the thirtieth day of April in each year, without notice or demand, deliver to the minister a return in such form as the minister may prescribe of his total income during the last preceding year.

(2) Any person, whether liable to tax under this act or not, shall at any time upon receipt of a notice or demand in writing from the deputy minister (taxation) or any officer authorized to make such demand, deliver to the minister a return in such form as the minister may prescribe, of his total income during the last preceding year.

Mr. KNOWLES: Read the next subsection as well.

Mr. McCANN: If you want the next subsection, here it is:

(3) Notwithstanding subsection one of this section, the return to be filed in the case of a deceased person in respect of his income for the taxation year received or accrued before his death shall be filed within six months from the day of the death of the deceased.

What has that to do with it?

PALESTINE

DEATH OF BRITISH SOLDIERS—COLLECTION OF FUNDS FOR ZIONIST ORGANIZATIONS

On the orders of the day:

Mr. NORMAN JAQUES (Wetaskiwin): I should like to direct a question to either the Minister of Justice or the Secretary of State for External Affairs, or both; I have not been able to give them notice of it. In view of the latest cold-blooded murder of British soldiers in Palestine, will the government consider the advisability of prohibiting the soliciting of funds in Canada for the purpose of supplying these zionists with arms and ammunition?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The hon. member gave no notice of his question, and his voice was so low I was unable to follow it completely. I shall read it in *Hansard* and try to give him an answer after I have seen exactly what he said.

NAILS

INQUIRY AS TO INCREASED PRODUCTION

On the orders of the day:

Mr. G. K. FRASER (Peterborough West): Yesterday when we were considering the export-import bill the Minister of Trade and Commerce acknowledged that nails were in short supply. I should like to know whether anything is being done to bring up this production, because at the present time it is impossible to get two-inch or four-inch nails in almost any city in Canada.

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The production of nails is increasing month by month. There has been an improvement of about thirty per cent in the last month of 1948 for which we have the figures, as compared with the same month of 1947. The nails are disappearing into trade channels as quickly as they are made, and all I can say is that I hope the continuing increase some day will overtake the demand.

Mr. FRASER: The average hardware man is getting only one or two kegs a month.

WAR VETERANS ALLOWANCES

PROVISION FOR NEGLECTED OR DEPENDENT CHILDREN, INCREASED PERMISSIBLE INCOMES, ETC.

The house resumed from Thursday, April 8, consideration of the motion of Mr. Gregg for the second reading of Bill No. 196, to amend the War Veterans Allowance Act, 1946.

Mr. G. R. PEARKES (Nanaimo): When the house rose at eleven o'clock last evening I was pointing out the inadequacy of the amendments proposed in this legislation. Those inadequacies are in two or three different classes. In the first instance there is the inadequacy of the supplementary allowance that may be granted to a recipient of the war veterans allowance at the discretion of the board. The amount of the war veterans allowance is still $30 a month, but at the discretion of the board an additional supplementary allowance of $10 a month or $120 a year may be authorized.

In his remarks, which I have since had an opportunity of reading, the minister described the recipients of the allowance as consisting of three classes: first, the class who draw a pension as well as the war veterans allowance; second, the class composed of those who are non-pensioners but who draw the full amount of the allowance; and third, those recipients who do not draw a pension nor the full allowance. The figures he gave as to the third class were something in the nature of 10,000.

My reading of the minister's remarks would indicate to me that he is to issue a directive to the department which will make mandatory the payment of the supplementary allowance to the first and second classes, but in respect of the third class he used the word "may" and I presume those recipients in the third class will submit their cases to the board for review. If the board decides they should receive the supplementary allowance, then at the discretion of the board an amount up to $120 a year may be granted. While the minister issues an order that the supplementary allowance will be paid to those in the first and second classes, no such mandatory instruction is contained in the bill. In the bill itself, the decision as to whether the amount of the supplementary allowance shall be granted is left to the discretion of the board. No doubt the veterans committee when the bill is referred to it will give consideration to the advisability of including in the bill specific instructions that the supplementary allowance be automatic to those who are pensioners drawing allowance or who are in receipt of full allowance, leaving only to the discretion of the board those who at the present time are not drawing the full allowance.

I consider the amendments inadequate in that they still maintain the means test. Although in certain respects, the permissible income has been changed, I am not at all clear from the minister's statement that there has been any increase in the permissible income. At page 2788 of *Hansard* he states:

> In addition to the matter of increase, this bill rearranges what was known as "casual earnings" and raises the ceiling of permissible income under the act to $1,105 a year, or approximately $92 a month for married men and to $615 a year, or approximately $51 a month for single men.

Before this was introduced, the permissible income amounted to $615 for single men. It was made up of $365 as the maximum allowance, $125 for casual earnings, and $125 for other income, making the total of $615 as permissible income. I do not see, therefore, how there is any increase. There is a slight change in that there is the amalgamation of other income and casual earnings. In effect, a recipient of the war veterans allowance who does not go out and earn by his casual work $125 in a year, if he is in receipt of a pension in excess of $125 a year, may amalgamate those two and make up the total of $250. But at the same time the total permissible income of $615 is not exceeded. Encouragement is given to a man

not to work, and I suggest that is a wrong principle. It is better for the man himself and for the economy of the country to have a man in production and working, if he can find the opportunity to do so. Many of them make the opportunities in order to obtain casual work.

In addition—and this is the only increase I can see in the permissible income—there is the $120 which may be granted as a supplementary allowance at the discretion of the board or according to the instructions issued by the minister, as outlined by him last night. I do feel that if we are to encourage these middle-aged veterans to find work wherever they can, and improve their positions, rather than try to keep them down and make them live within the $615 or $735 a year—a pretty slim sum in these days—we should raise that ceiling much higher than it is now. I believe it was the hon. member for Acadia (Mr. Quelch) who said it should be raised to the minimum income exemptions. We should encourage these men to work for the good of the country and of themselves rather than to rely entirely upon their pensions or their allowances.

One other inadequacy I did not have the opportunity to mention last night, is that of the amendments in respect to extending the allowances to other groups of veterans. At various other times, during this session and in others, I have mentioned the need for providing allowances to other groups of veterans. In the present debate other members have mentioned exactly the same thing, and have drawn attention to some groups about which I intend to speak again this afternoon. I refer to them because I believe it is only by continually impressing upon the government the need these men have, and the demand there is among veterans of all classes in every section of the country that their comrades be included in these allowances and be provided with a decent standard of living, that we can hope to get some consideration, should the committee be prepared to make recommendations along these lines.

The first class I wish to mention is that of the soldiers who went from Canada during the first world war and who, through no fault of their own, did not get closer to a theatre of war than Great Britain. This group may be divided into two classes. There were those who, through ill health incurred in Great Britain, were debarred from going overseas to France. I am certain all hon. members will have vivid recollections of or will have read about the hardships the first Canadian expeditionary force suffered while in training at Salisbury Plains during the winter of 1914-15.

Their living conditions were bad. There were no huts built, as there were in the latter days of the last war. They had to live in tents during an extremely bad winter, where the mud, rain and general conditions were appalling. That is a well established fact.

Many of those men suffered from meningitis and other diseases which in some instances impaired their health for the rest of their lives, and in any event denied them the opportunity of taking their places with their comrades in France.

Then there was another class of men, those who, on account of special training in the non-permanent militia of pre-war days or because of their civilian training, were retained in Great Britain for special purposes, to instruct other men who went overseas. But, through no fault of their own, and against their desire, those men were kept in England. The records show that many individuals applied time and again to their commanding officers to be allowed to go overseas, but in the interest of the service they were retained.

No one is going to suggest that conditions in Great Britain were as hazardous during the first world war as during the second. We do know, however, that bombs were dropped by enemy aircraft. The Canadian camp at Shorncliffe was bombarded. Zeppelins came over; and I remember vividly seeing a map published by the *Daily Mail* which showed where the bombs had been dropped during the first world war. A number of bombs were dropped with surprising accuracy along the Brixton road leading out of London and there were many casualties. Veterans of the second world war who remained in Great Britain are regarded as having served in a theatre of war, while veterans of the first world war who were denied the privilege of taking their places with their comrades in France, who were retained in Great Britain against their will, are denied this privilege. I do not know the exact number of these men, but it is not great, and I submit that these allowances should be extended to them.

I come now to the question of our comrades who served with the forces of His Majesty other than the Canadian forces, usually referred to as imperials. Every branch of the legion and other veteran organizations across Canada have been recommending for years that these men should receive more generous treatment at the hands of Canada than they have received in the past. I have here a resolution passed by the imperial veterans of Canada in Winnipeg. It first points out that the imperials living in Canada have contributed in great measure to the progress of Canada. It then goes on to explain the contri-

bution they have made to Canada, both in peace and in war, and finally it says:

> And whereas there are imperial veterans long resident in this country, who are now Canadian citizens, living under the most intolerable conditions, with a lower standing of living than those on relief.

It may be said that that is probably an exaggeration. I have here a copy of the British Legion Pension Guide, and on pages 8 and 9 there appears the scale of pensions paid to ex-imperials. Men and boys of the Royal Navy, marines, privates, gunners, leading aircraftmen and aircraftmen of the R.A.F. who are 100 per cent pensionable receive forty-five shillings a week, which translated into terms of Canadian currency equals $36 per month. I am not suggesting that there are many imperial veterans living in Canada who are receiving 100 per cent pension, and they would hardly be affected by the war veterans allowances. I merely cite that as an example.

When you come down to the lower brackets you find that an imperial receiving a 20 per cent pension gets exactly nine shillings per week payable every four weeks, which amounts to approximately $8 per month. I am not surprised that the imperial veterans in Winnipeg passed a resolution stating that men who are trying to get along on $8 per month are living in squalor and under a low standard of living. I feel at this time that we should recognize the fact that we have admitted these imperial veterans into the fellowship of Canadian citizenship; they are now Canadian citizens, and many of them have long residence in Canada.

There are two classes of imperial veterans. I would call the attention of the minister and the committee to the fact that many of these imperials were resident in Canada prior to their enlistment in the British services. According to the regulations, if they were resident in Canada immediately prior to enlistment they would be eligible for an allowance. But if they had left Canada three months, six months, a year or any period of time longer than that before enlisting, they were not eligible.

Many British reservists who were living in Canada in 1914 rejoined their old regiments. They are entitled to an allowance, while Canadian born men who had resided in Canada for many years, but who for one reason or another found themselves in Great Britain when war broke out, are barred from these allowances because they were not domiciled in Canada at the time of enlistment. Some of these men were students who were completing their education in Great Britain in 1914, and they are barred.

Then there is the larger group made up of those who migrated to Canada after the war finished in 1918. They were encouraged to come here, and many of them have lived here ever since. They have contributed much to the development of this country. In many cases their sons and daughters fought in the ranks of the Canadian forces during the second world war, and many of these men joined up locally with the veterans guard or other organizations. The time has come when we should not have any hyphenated Canadians. The imperial soldier who has taken out Canadian citizenship should be considered a Canadian and should have all the rights of Canadian citizenship. He has in other respects.

Finally there are the other groups which I shall not take the time to enumerate, because I have mentioned them on previous occasions. I intend to bring up their cases in the committee. I repeat that I feel that this bill provides inadequate amendments to the War Veterans Allowance Act. In the first place, the supplementary allowances will in many cases be inadequate to meet the needs of the recipient. Second, the ceiling of permissible income has not been raised high enough to encourage men to work and thereby raise their standard of living. Finally, it is inadequate because it makes no provision for these other groups of pensioners who are in urgent need of allowances.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, at the outset I must say that this bill is one of the most disappointing I have seen brought down in this house. I am fully satisfied that the members of the veterans affairs committee, all of whom are veterans, feel the same way about it, and that they will do their best in the committee to secure the improvements that are being asked for in this debate on second reading. My reason for rising to take part in the debate is the hope that those of us who speak as non-veterans will be able to reinforce the views of the veterans themselves who are members of the committee and help them to secure a much better War Veterans Allowance Act than is yet in prospect.

I am sure that last evening we were all delighted with what the minister was able to say, supported by the hon. member for Royal (Mr. Brooks), the hon. member for Swift Current (Mr. Bentley) and others, concerning the way in which the old soldiers themselves have expressed no jealousy about the improvements made in benefits for veterans of world war II and have put on no pressure campaigns on their own behalf. I also want to say that

we in this house who are non-veterans are thrilled at the way in which the veteran members of the house really go to bat on behalf of their comrades of both wars, and we are pleased too that this is no partisan matter. But I believe it should be said, as the hon. member for Comox-Alberni (Mr. Gibson) pointed out in another debate, that the desire for the best possible deal for Canada's veterans is shared not only by the veterans themselves on behalf of their comrades, but also by the civilian population of the country generally. All of us want the best possible deal for our veterans, and I hope that the debate now taking place and the speeches now being made on all sides of the house will reinforce the members of the committee as they make their recommendations and seek to improve the bill.

I said at the outset that the legislation struck me as one of the bitterest disappointments I have seen brought down in this house in the form of legislation. In fact I felt that to a certain extent both the house and the country generally have been misled. On the 19th of December the Prime Minister (Mr. Mackenzie King) announced the proposed increases both in the disability pension and in the war veterans allowance. His reference to the war veterans allowance was very brief. This was it:

> The amendment will authorize the war veterans allowance board to grant supplementary allowances up to $10 a month in cases of need for veterans and widows who, through age and infirmity, are unable to provide for their own maintenance. The board will be authorized to make the supplementary allowances retroactive to October 1, or to any subsequent date, as the circumstances of individual cases may require.

When we heard that announcement, while we recognized that there was in it a means test qualification, still, brief as the announcement was, it pointed to an increase of $10 a month, and I think it is correct to say that we in this house and veterans and veterans organizations generally thought that that was a flat ten-dollar increase to those veterans who are on the war veterans allowance. A few weeks later, to be exact on February 16, after there had been considerable expression of displeasure with the announcements of December 19 having to do both with the disability pension and with the war veterans allowance, the Prime Minister made another announcement indicating that certain further increases were being proposed in the disability pension. On that occasion the hon. member for Nanaimo (Mr. Pearkes), who has just spoken, asked the Prime Minister, as reported at page 1288 of *Hansard*, this question:

> Is provision being made for increases under the War Veterans Allowance Act?
>
> [Mr. Knowles.]

Although the member addressed his question to the Prime Minister, the answer was made by the Minister of Veterans Affairs (Mr. Gregg) in these words:

> The amendments to the War Veterans Allowance Act are still under study, and the proposals will be completed before the end of the present week.

For my part I took it from that statement that, just as there had been some improvement, slight as it was, in the proposals respecting the pension act between December 19 and February 16, so we might anticipate some improvement in the proposed amendments to the War Veterans Allowance Act. But it appears now that the bill before us simply implements the announcement of December 19. I can see in it nothing beyond what we were offered at that time.

A little later the resolution preceding this bill was put on the order paper. Reading it we were still uncertain just what was in store, but there were at least two phrases in it that gave us hope. It said that there would be increased permissible income, and supplementary allowances. Those were the two things in which we were mainly interested —an increase in the allowance itself to the burnt-out veteran or to his widow, and an increase in the over-all ceiling on income allowed to these people. When that resolution was being considered in the committee of the whole the Minister of Veterans Affairs made a brief statement upon it. He said at page 2716 of *Hansard*:

> In the main it is the purpose of the bill to improve the amounts payable to the beneficiaries under that legislation.

Later in the same short statement he said:

> In the main this bill is designed to increase the amounts payable to them, and to deal with other subsidiary matters indicated in the resolution.

I submit, Mr. Speaker, that during all the stages that led up to the introduction of this bill we were led to believe we were to get in the main precisely those two things: a worthwhile increase in the amount of the war veterans allowance, and an increase in the total permissible income allowed to those in receipt of this benefit. I submit, sir, that with respect to many thousands of those on the war veterans allowance we get neither—neither an increase in the amount of the allowance the veteran will receive, nor an increase in the total income permitted to allowance recipients.

I was surprised, but in one sense pleased, to learn from the minister's remarks yesterday that there are about 16,000 recipients of the war veterans allowance who will be entitled automatically to receive the $10 a month

increase. I say I was surprised and in only one sense pleased to learn there were that many who would benefit in this way, but on the other hand I was saddened to realize that there are that many veterans, mostly of world war I, whose circumstances are such, who are living so far below the ceiling, that they will immediately qualify for that $10. It does seem to me that that simply is not good enough.

I was glad that the previous speaker, the hon. member for Nanaimo, pointed out in detail that the minister is not really justified in talking about new ceilings and about increased permissible income. It is true that by the terms of the bill before us there is to be what looks like an increase in the amount of income from any source which a veteran may earn apart from his allowance, but that is offset by removing from the existing statute the clause that permitted $125 of casual income. To be fair, we must say that from this side of the house we have asked that the distinction between these two kinds of income be abolished, because of the fact that it has forced veterans to move from one job to another. But when we asked that that distinction be abolished, we hoped there would be a real increase in permissible income and not just the bracketing of the two figures already there.

As the previous speaker pointed out, under the act as it now stands, without the amendments proposed by this bill, a single veteran has the right to earn, in addition to the $365 allowance, $125 from any source and $125 casual income, which is a total of $615 a year. If this bill is enacted in its present form, the ceiling for the single veteran will still be that same figure, $615 a year. There is one slight qualification we should always make, and that is that $25 a year from unearned income is granted; but it hardly alters the case at all. In the case of the single veteran the ceiling is $615 a year, and the ceiling as a result of the proposals made by the minister will still be $615.

Similarly, with the married veteran, the present situation is that he can draw an allowance of $730 a year and make $250 from any source and $125 casual income, a total of $1,105. All that this bill does is to bracket the $250 and the $125 into one sum of $375, which means that after the bill is passed he will be allowed to make $375 from any source, on top of the $730 allowance, which means that the ceiling is the same, $1,105.

May I point out that I have been speaking thus far, in connection with this phase of the matter, about the ceiling. There is another way in which to describe this, namely, to use the language of the act. The act does not talk about a ceiling, as the Old Age Pensions Act does. It talks about other incomes which the veteran is entitled to earn, and if this amendment goes through, the veteran will be entitled to earn other incomes, if he is single, of $250 a year and, if he is married, $375 a year.

I ask the house to face this shameful fact, that these are precisely the figures written into the War Veterans Allowance Act in 1930. The other income allowed to the veteran has not been changed at all by any amendments made to the act since it was first passed in 1930.

I feel that the committee should know the temper of the house, of the non-veteran members and of the country about this matter, and they should make full use of the right they have in the veterans committee, which we do not have in committee of the whole, to make recommendations calling for increases involving the expenditure of money. I say they should make use of that right to obtain a substantial increase in this ceiling on the amount of income allowed to the burnt-out pensioner.

I think the member for Acadia (Mr. Quelch) was most reasonable in suggesting the income tax exemption figure of $750 single and $1,500 married. Incidentally, speaking of the life history of the War Veterans Allowance Act, I was interested in making this discovery. The act was first passed in 1930, and amended in 1936, 1938, 1946, and now in 1948, and on every occasion but one there has been an increase in the salaries of some members of the board. On that one occasion when there was not an increase in salaries there was an increase in the number of members. In other words it has always been possible to find more money for the members of the board. I do not begrudge it, but having regard to the fact that the other income allowed burnt-out pensioners has not been increased at all from what it was when the act was passed in 1930, and also that prior to this supplementary allowance, about which I shall have something to say in a moment, there has been only one increase in the amount of the allowance, and it will be seen that the benefit to the veteran is really not very a good record for this parliament.

Let me put it this way. I do not want to be partisan and to put all the blame in this instance on the government. There is a tradition that veterans legislation is parliament's legislation, and that is borne out by the way in which these matters are referred to the veterans committee. If I speak strongly about the matter it is in the hope that it will reinforce the members of the veterans

committee to be—as the minister said last night, though I am afraid he misused the word—generous to the veterans. This legislation, certainly with respect to the ceilings, is not generous at all.

I should like to say a further word about the ceiling question. If the bill goes through in the form in which it stands, the minister and his department might as well know that there will be considerable protest against it during the next few months, and that they will run into administrative difficulties. I would be prepared to predict that a year from now they will come back and ask us to raise the ceiling on the income.

If I may quote a parallel case, I would point out that in 1943, when by order in council the first increase was made in the old age pension in the amount of $5 a month, the government did not see fit to increase the ceiling of pensioners' income. In only a matter of a few months the then minister of finance, now Minister of Justice, was faced with the fact not only that it was not good enough but that there were administrative difficulties, and the government raised the ceiling at least by the amount of the increase that had been made in the pension itself.

And so I say, with respect to this measure, that even though it does include only a $10 supplementary allowance, there should have been at least that much increase in the overall ceiling. In other words, the ceiling should now be not less than $735 a year for single veterans and $1,225 for married. These are not the figures I would suggest. I would suggest $750 and $1,500. But if the minister would at least go that far, his figures would provide an increase in the ceiling to take care of the supplementary allowance itself, and permit all burnt-out pensioners and their widows to receive it.

With regard to the supplementary allowance, there too I want to keep my language moderate, but it does seem to me that we have been misled. I listened closely to the member for Nanaimo, and I thought he was under the impression that some veterans might get that $120 a year on top of the $615 ceiling to which they are held. If the hon. member will look into the bill, which I cannot refer to by section while we are on second reading, he will discover that the supplementary allowance is payable to the veteran only within the $615 or $1,105 ceiling. In other words, if a veteran is now drawing his $365 a year or $30.41 a month—a single veteran—and he is now making a total other income of $20.84 a month, that brings him to $615 and he will not be able to get the $10 supplementary allowance. Neither will it be available to the married veteran now getting $730 a year or $60.83 a month, if he is already making the limit of $375 a year or $31.25 a month, for he will already be at the ceiling of $1,105.

The veteran will get the $10 supplementary allowance only if he is unemployable to such an extent, and lacking in economic resources to such an extent, that he is practically living on nothing more than the burnt-out pension itself.

It seems to me that the least this parliament would like to do, when we talk about the $10 supplementary allowance, is to do it right across the board the way it is done when freight rates are increased: ten dollars a month to every veteran on the burnt-out pension, whatever his situation may be. If that had been the proposal of the minister, some of us would not have smiled as we did the other night when he used the word "generous".

I strongly urge, Mr. Speaker, that the committee battle it out with the minister and send him back to the cabinet with the insistence that that $10 increase be right across the board; that the increase in the ceiling be not the misleading one we have in this bill but an actual effective increase which will make it possible for all veterans on the allowance to get this extra $10.

I should like to say a few words with reference specifically to the case of non-pensioned veterans' widows who are covered by this legislation. It is not many years since there was no provision for women whose husbands, when they died, were on less than 50 per cent pension. I am glad to see that the hon. member for Davenport (Mr. MacNicol) has just come in, because he is one who, in years not long since, fought hard, along with others of us in this house, to get the government to make an allowance for these women. A measure to make such provision was first brought in in 1943. For a few years—in fact down until 1946—it was a matter of an annual vote, but in 1946 provision for an allowance to these widows of non-pensioned veterans was written into the act which we are now amending. Making it statutory was a step in the right direction. The situation now is that when anything is done for the burnt-out pensioners, it is done automatically at the same time for the widows covered under this act. But on their behalf I want to say that the proposed increase of $10 a month should go to all of them without any question. Because of the way in which the proposed act is worded, they will be subject to the means test and they will get that extra $10 a month or $120 a year only if they are

under the ceiling of $615 a year which applies in the case of a widow without a child or children.

I put in a special word for these women, because their situation is a difficult one. Many of them have had the experience of seeing their husbands who were on no pension at all or on a 40 per cent disability pension, suffer a good deal in the later years of their lives from their war experiences. When those husbands pass on, the widows are in just as difficult circumstances as are the widows of other veterans. Yet they must take this legislation which is not something they receive as of right; and the very fact that that is so makes it necessary that the provision for them be much more generous than it has been.

When we talk about the widows, the same considerations come into play that have already been discussed by others who have spoken in this debate. I refer, for example, to the question of service in England during the last war. My attention has been brought to the position of many widows in my own city and in other cities, women whose husbands served only in England during the last war and therefore could not qualify even for this allowance.

I was present last year, Mr. Speaker, when a group of these women—other members might have been present too, but I am not sure about that—had a conference here in Ottawa with the hon. member for Rosthern (Mr. Tucker), who at that time was parliamentary assistant to the Minister of Veterans Affairs; I understand he has recently resigned that position. On the occasion of that meeting in the Liberal caucus room on the fourth floor these women, speaking on behalf of the organization of non-pensioned widows, presented their requests one by one. With regard to a number of their requests the hon. member for Rosthern could make no commitment; but when they asked for the inclusion of England as a theatre of war in world war I, the hon. member for Rosthern, in so far as he could as a member outside of the cabinet, made a commitment to these women. He said: "I can give you the assurance that next year, although you will not get some of the things you want, but you will get an amendment to the War Veterans Allowance Act that will make service in England in the last war count for the purpose of this act."

I know that the women of that organization have counted during the year on that one specific improvement being made. I realize that the hon. member for Rosthern was not in a position to commit the cabinet. I also realize that he has made about the country a number of statements of the kind which do not seem to get government backing. But these women took it as a solemn undertaking from the parliamentary assistant to the Minister of Veterans Affairs. As a matter of fact they saw the previous minister as well, but I was not with them on that occasion. There is keen disappointment on their part that the change is not being made. I strongly urge upon the members of the committee, representing, as they do, the House of Commons to deal with this phase of the matter as parliament and as the country would wish them to do. The same considerations apply to the imperial veterans now living in Canada, but since this matter has been well developed by others, I need not go into it in any further detail.

Another thing I should like to say on behalf of the non-pensioned veterans' widows who are covered by this legislation is that I hope consideration will be given to their request to be included in the matter of hospitalization. On one occasion when I raised this question the former Minister of Veterans Affairs seemed to misunderstand it and to think that they were asking, or that I was asking on their behalf, that room be found for them in veterans' hospitals. That is not their request at all. They are asking rather that financial provision be made for them when they themselves require hospitalization. So long as the amounts are as they are, I feel that that is a request which the government ought to meet.

Someone has said that this whole War Veterans Allowance Act is in the nature of social security legislation for the veterans. I think that is a good way to describe it. If it is to be social security legislation, let it have in it some element of real security; let it not be just a matter of charity as it is at the present time.

So, Mr. Speaker, I leave it at that. I feel that the amount of this allowance should be $50 a month for a single person and $100 a month for a married person; that the ceiling should be effectively raised and not just in the manner in which this bill does it; that service in England in the last war should count; that imperial veterans now in Canada should be considered; and, as I have already said, that the widows covered under this act should be given by the government the benefit of hospitalization.

I conclude by once again expressing my earnest hope that the committee, when it deals with this matter, will not only deal with it as veterans, which they are, and not only on the non-partisan basis on which they have approached these matters from session to session and parliament to parliament, but that they will realize that the non-veteran mem-

bers of this house and the civilian population of Canada generally want a much better deal for our veterans than is provided in the bill now before us.

Mr. T. L. CHURCH (Broadview): The motion before you, Mr. Speaker, is for the second reading of the War Veterans Allowance Act, and I wish to draw the attention of the minister to one particular class of people who come under it. The original act was passed in 1930 to give some reasonable allowance to those who fought in the South African war and world war I; and recently those veterans who served in the northwest rebellion, the forgotten men as far as veterans affairs go, were also included. Many of these men are located in the maritimes; a number of them are in the Toronto district; some are in Saskatchewan and some in Winnipeg. They have received practically nothing. They were given grants of land, 160 acres each principally in Saskatchewan and northern Ontario, but they were given no travelling allowance to get to their land, with the result that many men never even saw it.

These were the men who started the militia eight years after the Mackenzie government passed the first militia act. They left their vocations and received no pay for serving, except fifty cents a month. Most of them paraded twice a week and on Sundays; they went to camp; and the fifty cents they received was put back into the company fund in order to build up the militia. Then came the South African war, and later the two great wars. Some of these men are in desperate circumstances today. I believe it was only in 1944 that they first received assistance under this legislation, but then those in charge of the act brought into effect what they call the means test. That was the meanest thing we have ever done in this house, because at the present time these men cannot even rent a small room with the amount they are receiving. Many small estates have been required to pay back the amount received in old age pensions and all that sort of thing. I remember one man who was with Sir John A. Macdonald when he died; I shall not give his name, because I do not think it is necessary. He was in the press gallery here, and he wrote many articles on this subject in the *Globe* and also in the *Mail*.

I believe these men have been very poorly treated. They marched across lake Superior in the depth of winter when the temperature was 46 degrees below zero. They lived on dog biscuits and hardtack, and saved that country from being ravaged; and probably they opened the eyes of the whole civilized world to the possibilities of the great prairie provinces which today are doing so much for this country. The other day I received a letter from my kind and good friend the hon. member for Lake Centre (Mr. Diefenbaker), who is always engaged in good works, not only within his own party but in association with others in this house. The letter was from a member of the northwest field force in British Columbia who with others presented a brief to the veterans affairs committee two years ago. I believe he wanted to obtain $160 cash in lieu of the 160 acres of land he had been granted. Nothing has been done about it since the committee got the brief.

The way in which these men have been used is the meanest thing I have ever heard of. The other day I was told of a man who had been one of these veterans, and whose son in later years became associated with the university of Toronto in connection with the training of football and hockey teams. He died, and when they came to settle up his estate it was found to be worth $837. Then along came the government to apply the means test, and asked that $600 be paid back. I must say of the former minister of veterans affairs that I always found him willing to assist the veterans; his heart was in the work. The present minister was for some time associated with the great university of New Brunswick, and holds the highest military decoration in the world. I do hope he will look into the cases of these members of the northwest field force, because they certainly have been given shabby treatment, though they were the backbone and founders of the militia of this country. From 1885 on through the South African war and the two world wars they, their children and their children's children have been serving in the forces.

I do not wish to detain the house longer. I have dealt already with the other matters involved in this bill and the other measures relating to the veterans. For that reason I am prepared to give way now to the soldiers in other parts of the house.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, as I read the bill now before us, to amend the War Veterans Allowance Act, and as I listened last evening to the minister make his statement and do his best to give a good appearance to a very bad job, I found myself constantly thinking of the word "cheeseparing". I kept thinking of some words such as these: Canada is hereby providing, for some

25,000 of her noblest, only crusts and crumbs, where she should be setting for each a place at a generous, richly laden table.

The provisions of this bill are bleakly meagre. They constitute a comfortless prospect for tens of thousands of fine Canadians who have deserved of their country the best the country can offer. I fancy the bill would have been more appropriately called the war veterans existence allowance act, or perhaps it should have been called the war veterans sub-existence allowance act.

If Canada could not produce enough, perhaps she could be excused for treating a large number of her finest people in this way, but Canada is able to produce enough, at least a thousand dollars per year in goods and services for every man, woman and child in Canada. All this bill allows a man and his wife is $1,130 a year, not quite $100 a month, far short of the $2,000 a year which is the amount in goods and services this country can produce for every family of two in the nation. If it is physically possible for Canada to provide $1,000 worth or more of goods and services per citizen it ought to be financially possible for Canada to render those goods and services available to Canadians, especially our veterans.

Once more, Mr. Speaker, I would draw to the attention of the house and the country this important fact, that what we can do for our old age pensioners or our returned soldiers or the people who are in need anywhere in this country depends upon our ability to produce goods and services. I am surprised that while people seemed to understand this when the war was on, they were unable to see it before the war, and they seem unable to see it now. Until we begin to think in terms of goods and services in this country we shall continue to do absurd things such as we have now indicated in this bill.

Since this nation is able to produce goods and services abundantly, this parliament is morally bound to render sufficient of those goods and services available to our returned men and their dependents to enable them to live an abundant life, not to drag out a miserable existence.

Before proceeding further, may we consider some statistics which tend to prove Canada's physical ability to provide $1,000 worth of goods and services per year for every Canadian.

Let us take the production of Canada for the years 1943 and 1944. At page 17 of a booklet which I am sure has reached the hands of every hon. member, entitled Canada 1947, which is said to be the official handbook of present conditions and recent progress, and which is issued under the authority of Hon. James A. MacKinnon, we find a list of figures showing Canada's actual production in the years 1943 and 1944, during the war.

These figures show that of primary production—that is, production from her agriculture, forestry, fisheries, trapping, mining and electric power—Canada was able to produce to a value of $3,589,939,153. In 1944 she produced to a value of $3,943,852,473. Those are gross figures.

In the matter of manufactured products, including construction, custom and repair, and manufactures, she produced in 1943 to a gross value of $9,518,909,550 and in 1944 to a gross value of $9,766,954,578. This means that in 1943 she was able to produce to a grand total value of $11,959,951,887, and in 1944 to a value of $12,549,832,627. For the approximately 12,000,000 people living in Canada the 1944 figure works out at about $1,000 worth of goods and services to each one of those people. Even then we are disregarding a very considerable amount of production in the country.

With these figures we should read what is stated at page 15 of the same pamphlet, where we find this:

> In the survey of production only those industries generally considered to have a direct connection with production are considered, the coverage being limited to agriculture, fishing, mining, forestry, trapping, electric power, manufactures, construction, and custom and repair. However, production in the economic sense includes much more than the contribution of these industries. Transportation, trade, banking and numerous other services also contribute to the nation's economy and should be taken into account when attempting a complete survey of Canada's productive capacity.
>
> The gross value of production of commodities in Canada was greater during 1944 than in any other year: the increase over 1943, when a record had been established, was about five per cent.

That gives us some sort of notion, as serious Canadian statesmen, of the magnificent asset we are administering when we are administering the Dominion of Canada. We should consider what we are undertaking to do for our returned men, in the light of this magnificent asset. If we had managed the Canadian economy with skill and wisdom—which we have not—the increase from 1944 to 1945 ought to have been at least five per cent; the increase from 1945 to 1946 ought to have been another five per cent, and the increase from 1946 to 1947 another five per cent.

Instead of managing our country wisely we have allowed our livestock to be depleted and our wheat and other producers to become discouraged and unhappy, and in a general

and all-round manner we have allowed our productive capacity to decline. But that does not need to discourage us. It is never too late to repent and to reform our ways, and to take into consideration what we have potentially in this country.

If we had allowed our production to increase, as it could have done with the return of three-quarters of a million of our finest producers from overseas, then we should have enough surplus production to enable each of our people to have a thousand dollars' worth, and still take care of the exports necessary in relation to our external obligations.

Let us keep in mind what I have said as we consider the bill before us, which will render available to the recipient of a war veterans allowance, if he is married, the sum of $1,170 a year.

It may be argued that the country cannot afford financially to give a larger allowance. A sound financial system would overcome that difficulty. What cannot be defended to the satisfaction of any logical mind, is the niggardliness of the means test which is applied not only in this act but in the Old Age Pensions Act and in other acts.

Surely a man should be free to earn what he needs and what he can earn, without risking the loss of his allowance! Let the government and the house once more lay down the principle commonly accepted during the war that no man or woman should be worse off because of going into the services, and no one who stayed out of the services ought to be better off because of having stayed out. The principle ought also to apply to servicemen's wives.

The Canadian parliament is in duty and honour bound, first, to make of Canada a home fitting for heroes; second, to make it possible for every Canadian hero to find in Canada a fitting home, and, third, to render it possible and encouraging for every Canadian hero to raise up a family of hero sons to strengthen and bless our country in the days to come.

May I urge upon the minister and members of the committee that if the Canadian parliament is to discharge these duties they must bring back a bill far more generously and courageously drafted than is the hidebound effort that parliament is now considering and is about to submit to the committee for what I hope will be drastic revision.

May I urge upon the minister and members of the committee that parliament expects the minister and the committeemen to do their duty, not as the treasury board sees that duty but as the progressive, pulsating Canadian people see it.

[Mr. Blackmore.]

Mr. T. A. KIDD (Kingston City): Mr. Speaker, I should like to add a word or two to what has already been said with reference to Bill No. 196 to amend the War Veterans Allowance Act.

The house has listened with interest to the remarks of the Minister of Veterans Affairs (Mr. Gregg) and other members who have expressed their views. What concerns me most at the moment is not what has already been said but what has not been said and might be said regarding the war veterans allowances.

In his opening remarks the minister stated that the benefits relating to this bill would apply in the main to a small proportion of the old soldiers of the first great war. He made mention that only 25,000 out of approximately 200,000 soldiers are receiving aid from their country. The complete summary, as tabulated, is as follows:

Veterans, all wars	26,106
Widows, all wars	4,790
Orphans, all wars	53
Total	30,949

First, may I say that I hope the present minister and those who are closely associated with him, the pension board and all who are called upon to make decisions, will never permit the injustice to be done to the veterans of world war II that was done to many of those gallant veterans of world war I. No onus or responsibility can be placed upon the present minister, but it can be placed upon the department which had to do with the policy that resulted in a reduction of many pensions. There is not in this house a veteran of world war I who cannot recall an instance in his own riding of some veteran who enjoyed a 100 per cent pension who was dumbfounded to open his mail and find a letter from the Department of Veterans Affairs advising him that his case had been re-examined and that there would be a reduction in his pension.

To emphasize my point, I should like to draw attention to a case I have in mind of a late pensioner whose family lives in Kingston. This man had had a 100 per cent pension for fourteen years when he was notified by the pension board that his pension would be reduced to 45 per cent. Those familiar with the Pension Act will readily understand the reduction to 45 per cent. It meant that his widow and family would be deprived of any pension at his death, the act requiring that 55 per cent pension is necessary at the time of death for a family to qualify for pension.

This man was seriously ill and receiving treatment in Christie Street hospital. His wife, then in her early sixties, was doing the best

she could to get along. What happened? The veteran was heart-broken and died shortly afterwards. I might add that I came to Ottawa to see the pension board on behalf of this widow. I received a courteous hearing and had every reason to expect that the case would be considered. However, for reasons best known to the pension board at the time, that was the end of it.

There seemed to be a feeling at that time that there were too many receiving 100 per cent pension. A special board was arranged to probe into the case but the old soldier had very little recourse. I trust and hope that those veterans of world war II who are receiving pensions will not be dealt with as ruthlessly as have many of the veterans of world war I.

I might also cite another case, that of a pensioner who received notice that his pension had been reduced from 100 per cent to 5 per cent. This man had a family of seven children and it took him nearly twelve months to have his pension returned. The purpose of amending this act is to make provision for the neglected child of a veteran.

The pension board should not take too much credit for caring for certain types of veterans who happen to lose an eye, a limb or an arm. The act is specific as to what should be done in such cases. But there are the borderline cases dealing with nervous disorders, heart or cancer. In so many cases the benefit of the doubt seems to go against the soldier instead of in his favour, and such should not be the case. I emphasize as strongly as I can that I think the benefit of the doubt should be given to the soldier.

I should like to cite a case of a veteran of world war II and I do this because I feel that many similar cases should receive further attention. This man's name is Herbert J. Leach. His number is C-1072 and he enlisted in the R.C.H.A. at Kingston. On January 3 he was killed in action, leaving a widow and two children, a boy and a girl. This man enlisted in 1939 and those who are familiar with the circumstances will realize that his number of C-1072 is not a boxcar number.

The daughter has since married. When this soldier proceeded overseas his boy was just ten years of age. Upon the soldier's death his widow received $60 a month plus $15 a month for the boy until he was sixteen years of age. Unfortunately the boy happens to be below normal and his mother is left with the responsibility of caring for him. She has been refused any further veterans allowance by the pension board. This particular case was brought to my attention and I in turn brought it to the attention of the minister and the department. The application was substantiated by a certificate from the family doctor which stated:

> This is to certify that Victor Leach, aged nineteen, of 51 Raglan road, Kingston, Ontario, is totally and completely incapacitated on account of meningitis at two years and is an epileptic and mentally defective.
>
> R. R. MacGregor, M.D.

In order to support her child, the mother was forced to take a position as laundress for which she receives $18 a week. Her own allowance as a widow was $60, which has recently been increased to $70. The pension board decided that no pension should be paid to the child, stating that no pension shall be paid to a child who, if a boy, is over the age of sixteen years, except when such child and those responsible for his maintenance are without adequate resources.

I think the house will agree that it is a shame and disgrace when the widow of a man who has given his life for his country, a man who paid the supreme sacrifice and left a child unable to care for himself, is turned down by the department. I might add also that the mother of this boy is faced with an extra expense. The boy recently had scarlet fever which necessitated his being in hospital for twenty-one days, the bill incurred for this illness amounting to $111. I want to emphasize what I mentioned a moment ago, that we do not want the veterans of world war II to be treated as the veterans of world war I have been. I am not blaming the minister because these cases came up before he took over the portfolio. I submit that in every case the benefit of the doubt should go to the dependent or the returned soldier rather than to the department or the government.

I should like to draw attention to another case of hardship being visited upon a veteran student. Only last week there was brought to my attention the case of a veteran student who is ill in the Kingston General hospital and receiving treatment. This boy is married and, like many others, carries protection under a hospital insurance plan. On arrival in hospital he was presented with form 706 compiled by the Department of Veterans Affairs, a copy of which I hold in my hand. This form necessitates his turning over to the Department of Veterans Affairs any hospital benefits which he would receive under the insurance plan. This boy is being penalized for trying to look after his wife and family. Any other veteran who happened to enter the hospital and who was not under the plan would have his total hospital expenses taken care of by the Department of Veterans Affairs.

To explain this case further, I might mention that the veteran benefits to this boy will expire

in October of this year. What concerns this veteran and his wife is that the hospital benefits to which he has personally contributed were taken away from him by the Department of Veterans Affairs. This means that on and after October 1 this veteran and his family will not be entitled to any hospitalization.

I do not know whether the minister is familiar with this form and I can send him one if he wishes. Great hardship is being suffered by these veterans. It is a mimeographed form. This sort of treatment is something that should not happen.

I shall say nothing further. I have mentioned these two cases and I would refer again in conclusion to that boy. I know that under sections 20 and 21 of the Pension Act the minister has power to look into these cases if he sees fit to do so.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, I should like to be permitted to make a few observations on Bill No. 196, which has to do with the amending of certain clauses of the War Veterans Allowance Act. It is not my purpose to speak at any length because I am a member of the veterans affairs committee to which we have been informed this bill is to be submitted, and where I am confident its merits and deficiencies will be thoroughly reviewed.

The War Veterans Allowance Act was originally set up to provide for needy veterans who would normally not be in receipt of disability pension. Perhaps I may be permitted to enumerate its main features. The veteran must be sixty years of age, permanently unemployable or, having served in a theatre of actual warfare, incapable of maintaining himself because of economic handicaps combined with physical or mental disability or insufficiency.

The maximum allowance paid under this act for a single veteran was $30.41 a month, and the married veteran received double that or $60.83 a month. Casual and other earnings were not to exceed a total of $250. The maximum allowance for a widow was only $365 a year, or one dollar a day, unless there were children, in which case the allowance was increased to $730 a year, or $60.83 a month.

The bill before the house is to make certain amendments to the War Veterans Allowance Act of 1946, all of which I do not care to discuss in detail at this time but I do wish to refer to one which I think should be commented upon. Other amendments could have been proposed which would have received the commendation of the whole house. I am not so sure that all these amendments do.

[Mr. Kidd.]

For instance, the amendment to increase the over-all income earned to $250 a year I cannot see is of very great advantage to the veteran. There are several minor amendments but I shall refer only to the provision for a supplementary allowance. It must be noted that the bill does make provision for the payment of a supplementary allowance of $120 if increase is approved by the board. We are assuming, of course, that the board will in most cases make provision for the payment of this supplementary allowance. But if this supplementary allowance is paid the bill states that the amount must not exceed the difference between the actual income of the recipient and the permissible income applicable in his case. In essence this simply means, if I interpret the bill correctly, that the veteran who receives the supplementary allowance of $10 a month will have his permissible income reduced accordingly, so that he will be, in actual fact, no better off than he was before.

It seems to me that about all that this bill does is to grant the old veteran the right to work harder in order to supplement his income without being deprived of his allowance. Under present conditions of high living costs it is apparent to all that he will certainly have to find some source from which to augment his income or else go hungry. So the government introduces this legislation in order that those able to work may make a few extra dollars to eke out an existence. But many are unable to work; some are completely unemployable because of age or disability. These men will now receive the ridiculously low sum of $40.41 a month allowance.

I do not think these war veterans will be very happy about legislation that makes no greater provision for them than this. They do not complain. They accepted their lot in the first world war and they are accepting it now. But there are many of us in this house who do not consider this legislation as fair to these fine citizens of Canada as it should be. I feel that all veterans throughout this land will be disappointed with this bill. It provides only a pittance where plenty could be provided. Canada has the money; the government has the money. We need only cite the $700 million surplus which it is estimated the government will have on this year's operations to prove that point.

These veterans served Canada well in her hour of need. The minister stated last evening that they rendered honourable fighting service to this country. We all agree with that remark, but actions speak louder than words. If they rendered that valuable service, then

all I can say of this bill is that it is cheap and not worthy of a grateful country. Canada should pay for value received. These men are burnt-out in their fifties and sixties because of their participation in early life in the first world war. They may have no visible war scars, no very great war disability, but they are nevertheless some of the most pathetic casualties of the first world struggle.

I wish to associate myself with what has been said by the hon. member for Swift Current (Mr. Bentley) and the hon. member for Winnipeg North Centre (Mr. Knowles) and to urge upon the government that they increase the allowance to at least $50 a month for single man, $100 a month for married men, and to widows in receipt of the allowance to $50 a month. I feel, Mr. Speaker, that these amounts are little enough; indeed, they are much too small because I am sure that few people today can keep a household together on $50 a month. If these veterans deserve an allowance at all, and I do not believe any member of this house would suggest that they are not deserving, then the allowance ought at least to be large enough to permit these old veterans or their widows to live in decency and reasonable comfort in their declining years. They should not always have to live in the shadow of poverty in a country which is rated as one of the wealthiest nations in the world.

Mr. CLARENCE GILLIS (Cape Breton South): It is not my intention to hold the measure up, but I have a few words to say before it goes to the committee.

I am not going to argue the merits or the demerits of the bill. I will leave that for the veterans affairs committee, because I do not think that what we say in the house will have very much influence on that committee. At least that has been my experience in serving on similar committees in the past. There are, however, one or two points which are not covered by the bill and which I should now like to emphasize.

The hon. member for Winnipeg North Centre (Mr. Knowles) went thoroughly into the financial aspects of the matter and there is no necessity for me to repeat what he has said. I notice that the bill makes no provision to care for incapacitated veterans who may be residing in the United States. I have had several cases myself which I have taken up with the war veterans allowance board. These war veterans of the first world war came back to Canada in 1919, some of them with war disabilities, and if they had remained in the country and fought their pension claims they could have established their right to pension.

Older veterans in the house will remember that in the years from 1919 to 1925 there was not much opportunity for employment in Canada, with the result that hundreds of veterans who served in an actual theatre of war could not secure employment here and had to go to the United States. Many of these veterans are in the United States today; and representations have been made to me, as no doubt they have been made to the minister himself, asking that something be done for veterans residing in the United States, having dependents and being totally incapacitated and hospitalized. These men have hospital bills, maintenance and so forth and are being taken care of by the United States government, and representations have been made to me to find out whether under the regulations it would be possible to extend the war veterans allowance privileges to veterans in that category while they are residing across the line.

Under the act as it has existed until now the stand taken by the department, and rightly so, in accordance with the regulations, was that this measure was not construed as a war veterans pension measure but as a social measure, more or less an old age pension arrangement for the incapacitated veteran, and that as such it could not be applied outside the country. However, if a man and his family returned to Canada, after a certain length of time in this country he could establish a claim.

I would point out, however, that in many of these cases the man is hospitalized and lacks the necessary means to come back to the country, and therefore he is a recipient of charity in the United States, despite the fact, mind you, that his present condition is attributable to services rendered in a theatre of war for this country, Canada.

I know from past experience with the minister in respect of veterans problems that he is sympathetic, that he understands those problems, and I suggest to him now and to the members of the veterans affairs committee that serious consideration be given to the question of amending this act so that veterans in the United States, in the position I have indicated, may receive the benefits of the War Veterans Allowance Act.

The war veterans pension is paid outside Canada. A man may reside in any part of the world and his pension will follow him. I see no reason why this measure should be construed as a social measure. In my opinion it is just as much a service measure, a pension

arrangement for the incapacitated veteran as the Pension Act itself.

There is another point I wish to make with regard to permissible earnings under the war veterans allowance arrangement. The veteran now makes $40 a month and of course the $10 a month supplementary is contingent upon a means test. Most of these old soldiers will qualify under that means test, but I think it is wrong to have every recipient of the war veterans allowance in Canada make application for that $10. It should have been automatic, and there should be no means test attached to it. However I leave that to the veterans affairs committee.

I think I am safe in saying that, in 70 per cent of the cases where a man is on war veterans allowance, the permissible earnings of $250 in the case of a single man, and $375 in the case of a married man, do not come into the picture at all. First, in order to qualify for the war veterans allowance you must prove that you are totally unemployable and you must get a medical certificate to that effect. If the doctor certifies that you are totally unemployable and you qualify for the war veterans allowance you are not working and therefore you are not earning an income for the reason that you are not able to do so. You may be able to get a job around Ottawa running an elevator or as a doorman in a hotel, but in most provinces there is not that kind of opportunity open to these men.

For that reason I think I am safe in saying that 70 per cent of the recipients of war veterans allowance are not affected at all by the permissible income and the only income which they have is $30.41 a month. Working it out, the hon. member for Winnipeg North Centre showed that it was $1,105 and $615, but he is in error because, in the large majority of cases, there is nothing coming in by way of additional income.

In my opinion the demand is reasonable that this should be brought up to $50 a month where a man qualifies as being totally unemployable, worn out and so on, and it should be without a means test. That $50 a month should be applied across the board. Someone may say that is a lot of money, that it costs money. I do not think money should be the determining factor. It was not during the war when there was no difficulty in getting money.

During the war everyone in this house agreed that whatever was physically possible could be made financially possible, and the minister of reconstruction could say, "I am going to build a munitions plant in Quebec. It will cost $25,000,000, but we have the material and the men and here is the money".

[Mr. Gillis.]

Where has all that money gone to? Why quibble about money in a matter of this kind? Every time you put extra money in the hands of a person who is not in a position to contribute to the national income by way of production, every time you put a dollar in his hands he spends it on the essentials of life, and thereby you are creating an internal consuming market which keeps the wheels of industry moving as it supplies that person with those necessities.

For that reason alone, I think we should forget this business about what it will cost the country. I do not think the taxpayers will quibble about it, and I do not think anyone in this house will quarrel if the minister comes and says that he is going to step up the amount to $50 a month without a means test attached to it. If that were done, the old soldier would be happy and he would have some purchasing power. That would stimulate the machinery of production and everybody would be just as happy as the soldier. Why, therefore, quarrel about this business of money? I suggest that we should forget that completely or at least revise our thinking on it to a considerable extent.

There is another problem, namely, that of the veteran and his wife, who by economic circumstances, have been forced to separate. The last time the veterans affairs committee was sitting, I brought to its attention some specific cases. One was that of an old man and his wife receiving war veterans allowance, with married status. The house they were in was sold. They were not in a position to get another one. The father went to live with a daughter and I think the mother went to live with a son; but force of economic circumstances separated them. Immediately that happened, the married status was taken from them. The old lady was left with nothing and the old gentleman's pension was cut down to that of a single man.

Mr. BLACKMORE: Cheese-paring.

Mr. GILLIS: That matter was raised in the veterans affairs committee. At that time I suggested that at least some administrative latitude should be given to the board where there were extenuating circumstances of that kind. Nevertheless, no amendments were made. That injustice still exists and I think it should be removed.

In dealing with the pension commission and with the administration of the war veterans allowance, both provincially and nationally, I have found them to be most sympathetic and reasonable, prepared to do anything they could within the confines of the regulations; but they are tied up by red tape. When I

hear people criticizing the pension commission and war veterans allowance administration, I know that such criticism is unjust. I know that it cannot be justified on the basis of my dealings with them. I know they are sitting there wishing and hoping that the members of the House of Commons had the courage of their convictions and would sit in a committee, prepare an act that was fair, reasonable and just and give it to them to administer. I think they would be quite happy to cure some of the ills that exist in the machinery of the pension administration. As for myself, I think it is too hidebound. I think we do not trust the administration. We tie them up with hard and fast rules and regulations and make no provision for judgment.

I believe that in borderline cases such as that of this old lady and gentleman who were separated, through no fault of their own, the chairman of the commission should have administrative latitude to make a decision, and not allow to take place an injustice such as the separating of a man and his wife and the penalizing of them by the loss of a certain amount of their pension.

I said that I did not intend to say very much on this matter, but if I keep on I shall occupy forty minutes. The bill is fair, but it requires a good deal of amending. That cannot be done here; it will be done in committee. I hope the committee will remember the two points I made. The first was with regard to the veteran in the United States who is being discriminated against, in my opinion; and second, with regard to the possibility of separating man and wife because of economic circumstances. I think those two points should be clearly cleaned up in this session of the veterans affairs committee. I also think they should try to give the pension commission and the war veterans allowance board some administrative latitude in borderline cases. Everything cannot be covered. I have some respect for their judgment, and I am quite willing to trust them with many matters that cannot be set down in legislation. I hope the committee will remember that. I intend to watch this bill carefully when it comes back, because I think that is the time when it must get its real analysis.

Mr. J. R. MacNICOL (Davenport): I shall follow, Mr. Speaker, the good example set by previous speakers and shall also be brief. I first wish to make reference to a remark made by the hon. member for Winnipeg North Centre (Mr. Knowles). I must thank him kindly for his reference to me. I was perhaps the first to bring in the question of the non-pensioned widows' troubles into the house. As time went on, the hon. member for Winnipeg North Centre and many others strongly endorsed the proposal, and in the end the minister sympathetically put through legislation in favour of the non-pensioned widows. When the matter comes before the committee, and it is an excellent one consisting entirely of war veterans, I hope that further consideration will be given to the non-pensioned widows, to start with.

When I was home two days ago I went to see a war veteran's widow. She was an old lady, living up in a back room in the north end of the riding represented by the hon. member for Trinity (Mr. Skey). She is quite an old lady, all crippled up with arthritis. I believe she draws $30.41 a month. She has no relations or no one to assist her in any way. The room was cold. I said to myself that it did not seem quite natural that any human being should be asked to exist—and that is all she can do—on $30.41 a month, after having given her husband in the service of the country. That lady is only one out of many.

I went to see a gentleman who is also a war veterans allowance recipient. It is necessary for him to go to the hospital in Toronto every week in order to receive injections of one kind or another. I believe he has anaemia. He can hardly keep body and soul together with what he receives. If it were not for the fact that his wife also draws a pension, as he is married, he would not be able to make ends meet at all. So I hope and trust that the committee—all of whose members are sympathetic men; and the minister also is most sympathetic with regard to veterans affairs—will see to it that some improvement in their situation is given to both the war veterans and the non-pensioned widows, because this consideration applies in the case of both. They are all thirty years older since the first great war ended and they are that much less capable of earning anything. Furthermore, it is out of the question for them to earn anything at the moment because there has been a big drop in the demand for labour; and that trend, I am sorry to say, is increasing daily. Unless they are given some consideration, their situation will be pitiable.

There is another class of war veteran about whom I wish to say just a word, and that is the South African war veteran. When the estimates for the department come in, I shall have a great deal more to say in that regard. I have in mind a South African war veteran who is now sixty-six or sixty-seven years of age and who, when he went to South Africa, was a mere lad. Of course his body could not have been at that time as well nourished

as it should have been to stand the onslaught of South African diseases, with the result that all his life he has been more or less handicapped but not enough to be knocked out completely. Of late, however, he has been. I have been doing my best to see that that poor fellow gets a square deal, but I have not yet been able to get it for him, merely because his wife happens to have a small income of a few hundred dollars a year. I do not think it is any of the government's business what income the wife of a war veteran may have, particularly when it is a small one like that. He should be treated as we expected he would be treated when the South African pension bill was brought into the house—and I was one of those who advocated that years ago—and that is on his own merits. It is wholly unfair and un-British, to my mind, to say that a man may not receive a small pension merely because his wife has a few hundred dollars a year coming in. So I hope the committee will also take that class of veteran into consideration when it considers this bill.

In the main I think we Canadians may be fairly proud of what our government has done for the war veterans. I do not hear much complaint from the men who served in the front line, the men who were incapacitated or wounded. It is only these complementary offshoots that appear to be giving us trouble these days. The hon. member for Nanaimo (Mr. Pearkes) mentioned another class of which my riding has a large number, though perhaps I should not say more than his; in any event mine is one of the ridings in Canada with a very large number of imperial veterans. In my opinion their treatment has always been very unfair, and I endorse what was said by the hon. member. I need not deal further with this point at the moment, because I want to conclude shortly, and the hon. member put the case so well I could not add anything if I tried. However, I should like hon. members to keep in mind that these men and women are now thirty years older than when world war I ended, and it is these for whom I am speaking in particular.

I think perhaps with a reference to one other class I shall conclude. I have in mind the "Overseas firefighters". I believe the chief came from the riding of the Deputy Speaker, but by far the majority of the "Overseas firefighters" came from the city I represent, and I well remember what they were promised by the minister of that day. They seem to have had quite a difficult time trying to get fair play, and I hope the committee will give consideration to this class of veteran also. They took all the chances anyone else took. It is true they did not have to go across the channel, but during the last war it was just about as bad in England as on the continent, because of the bombs.

I shall conclude by saying that I always appreciate the opportunity to say a word for the veterans because, as is well known, the riding of Davenport is almost made up of soldiers and their families. They are patriots; and I hope the government and particularly the minister will listen to the representations which will be made on their behalf to the committee to which this bill is to be sent.

Mr. J. H. FERGUSON (Simcoe North): Mr. Speaker, I have no criticism of the minister or the cabinet, but as a veteran of the first war I wish to say a word on behalf of the veterans. I have in mind an expression which I would direct to the veterans affairs committee and to the minister, in the hope that he will go to the cabinet and have this bill reconsidered. Those words are: "Lest we forget." Many of us do not realize that the soldier has been a terrific factor in building up this great country. In 1812 the habitant said, "By gar, I guess that Yankee is going to take our country," and the Englishman said, "By Jove, that shan't be," and the two of them worked together on the St. Lawrence to defend this country. So today it is possible for us to sit in this House of Commons and discuss what is the fair thing to do for our ex-soldiers.

All of us in the house can think back to when we were boys and we heard of the great deeds performed by our soldiers in the South African war. How proud we were to welcome them back, and how in our hearts we felt an obligation to those men who returned wearing their scarlet coats. I was a little boy in the town of Rat Portage, which is now Kenora. I was really too young to understand what these veterans were, but I knew they were coming home and I was proud to be there to welcome them back. We think back also to August 4, 1914, when some person attempted to twist the lion's tail. Again the oldest cub in the pack stood beside the mother country without hesitation. They doubted whether this country would be able to raise the first division of thirty thousand men, but the number volunteering was greater than the number requested by England or offered by Canada. Soon 31,000 men sailed from the shores of Canada as the first contingent, perfectly equipped and ready to fight, and those men made history. Again in 1939 war was forced upon this country, and again men volunteered to fight for their homes and their freedom.

Today we are in parliament, dealing in a somewhat niggardly fashion with these men;

and this is the only place to which these veterans can appeal for fair treatment. Again I remind the government of the words: "Lest we forget." Think of the times during the first great war when our men trudged up to the trenches, with the rain pouring off their steel helmets and the mud soaking their shoes; drenched to the skin, standing in the trenches for three or four days at a time, then going out to wooden huts poorly heated and equipped. Today many of those veterans who returned from that war without a wound find that, on account of the conditions under which they served their country they need aid from this parliament. So I say to the members of the veterans affairs committee, to the minister and to the cabinet: Do not think you are overly generous if you deal honestly and reasonably with these people.

Fortunately I am not myself in need of a pension. Though I did suffer wounds during the first war I have enjoyed good health since; but I speak on behalf of the man who was disabled in the war, or who has suffered some mental defect, or who, because of the conditions under which he fought, now finds it necessary to come and say to his fellow countrymen, "Give me a helping hand." I say to the members of this house, do not look at the men who have preserved this country for us as you would look at anyone or anything else in this country. Lean backward in your attempt to be overly generous to them. No right-thinking man in this country will criticize you; or if such men do, their criticism is not worth considering.

I say, take this bill back; cut out the means test for these veterans; make it unnecessary for any veteran to have to appeal for a $10 increase. Be men about it. This country owes it to them. I owe it to them; you owe it to them. Remember that phrase "Lest we forget." It is so easy to forget what our soldiers have meant to Canada. Because of them it is possible for us to sit here today and listen to the arguments advanced on behalf of these men; but we also have to listen to instances which should never have occurred and should never have to be cited in this house. The veterans affairs department and the dominion government have a duty to perform. I ask them to perform that duty in such a way that in future we shall not have to listen to cases such as we have heard cited during this debate. They are not justifiable; they are unreasonable; they are not fair to the men who have made it possible for us to sit here in peace and safety.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I wish to say a few words with respect to this War Veterans Allowance Act, by reason of the fact that I spoke on the Pension Act when it was in the resolution stage and I now find it necessary to augment what I said at that time. It will be recalled that I advocated something I do not believe had been advocated before. I urged that veterans who had seen actual warfare should be paid a pension, regardless of anything else. I also made the suggestion that no member of His Majesty's armed forces who had been in an actual theatre of war should be now compelled to pay taxes, due to the fact that most of our tax money is for the retirement of the war debt. Our men in the forces should not be asked to fight the war and then, upon their return, be asked to help pay for it.

The reason I mention this the second time is that, when I spoke before, the hon. member for Kootenay West (Mr. Herridge) followed me in the debate and suggested to the house that what I had urged was not sound. That took place before the Easter recess. Since that time I have received a considerable volume of correspondence, some from individuals and some from veterans organizations, complimenting me upon the stand I took at that time. So I do not believe that what I said was so unsound as the hon. member for Kootenay West would have led the house to believe.

While I do not intend to take up much time in debate because, as I understand it, the bill is to be sent to the veterans affairs committee, I would ask if it is possible to have information as to the basis upon which the present pension rates are arrived at. In other words, why should the full pension be estimated at the sum of $87. Why should it not be $100 or $150? Or, on the other hand, why should it be as high as $87? Why should it not be $50? Just what is the reason for setting it at $87? There must be some basis of calculation; there must be some reason for the amount as it now stands. By what means does the government arrive at that figure? Does it base the figure on the cost of living? Does it estimate that, because the cost of living is related to a certain index, therefore the pension is $87? Is that the way it is done? Or has it arrived at that figure by taking out pencil and paper and estimating that the average income per person in the country is so much, and that therefore the pension should be $87? Is that the way it is estimated? I wonder what the basis of calculation might be; I have not been able to arrive at it.

Mr. JOHNSTON: Perhaps the minister could tell you now.

Mr. HANSELL: I hope, when the minister closes the debate, that he might answer. I

suspect it is figured out on the basis of the lowest possible political expediency. I would think the government has estimated that it would not be politically expedient to put it lower than that.

Mr. JOHNSTON: The political expediency of the government is pretty low.

Mr. HANSELL: I plead for better consideration of our war veterans. But I wish to emphasize particularly that part of the bill which has to do with allowances given to veterans who are not pensioned, and to the widows of non-pensioned war veterans.

There are some peculiar anomalies in this whole scheme of war veterans allowances. For instance, let me give an illustration. I have in mind two widows of war veterans who live in the same district and not far from each other. One of these widows, whom we shall call Mrs. X, receives a pension of $60 a month by reason of the fact that her husband was a war pensioner. He did not see an actual theatre of war, and was never sent overseas. For some reason or another he received the pension. It may have been because of a condition of health due to war service. This bill will increase the pension of Mrs. X to $70 a month.

The other widow, whom we shall designate as Mrs. Y, lives not far from the first one. The husband of Mrs. Y was sent overseas, served in an actual theatre of war and returned safe and sound. Eventually he took ill and found himself without income. He applied for assistance under the War Veterans Allowance Act, and received it. He had been in receipt of that assistance for only a few months when he died, leaving his widow penniless. Of course she was then entitled to an allowance. At the present time she receives the full allowance of $30.41.

This widow, Mrs. Y, has a heart ailment and is unable to work and thus augment her war widow's allowance. As I said, these two war widows live in the same district and move in the same social circle, if I might use that terminology as applying to them. I should like to know why one of these women is entitled to a higher standard of living than the other. I cannot understand why the difference exists. I think there is some reason for our asking for reconsideration of this scheme of war veterans allowances for widows of our veterans.

I should like to make a suggestion. Many of these widows in receipt of allowances are under the impression that they are receiving a pension. It is difficult sometimes to explain to them that it is an allowance rather than a pension they are receiving, that they are receiving an allowance because of their financial circumstances. I do not like to say it

when I am explaining it to them, but I can say to the minister, and I think he will agree with me, that what these war widows are really receiving under this act is relief. That is what it amounts to.

There is just a slight difference between their case and the old-fashioned dishing out of relief. When we were on relief we had to go down to the city office every Thursday or whatever day or hour might be set and stand in line. We presented our identification cards and were given a slip of paper entitling us to so much groceries from this store, milk from this dairy and our rent.

Mr. GREGG: May I say to the hon. member that I would not consider such a widow as being on relief any more than I would consider a woman who was receiving an old age pension as being on relief.

Mr. MacINNIS: They are both on relief.

Mr. HANSELL: I am glad to hear the minister say that. I am glad to hear him say that he considers there is no difference. I do. The only difference is that the war widow in receipt of a war widow's allowance gets her cheque every month. She does not have to be embarrassed by going down to an office to get it and she can spend it in any way she wishes. I think I am right in that diagnosis.

Another thing in this bill I want to protest about is the means test which is applied to widows receiving this war veterans allowance. I protest against the means test in any event, but I protest especially this second means test. Under this measure, if there is to be an increase in the allowance it is subject to the board, and I take that to mean that there must be a reinvestigation of the widow's circumstances. Surely if her circumstances have been investigated once and she is in receipt of a war widow's allowance, the increase should be automatic.

Some of the previous speakers have deplored the pittance that is given under this bill, and I do the same. In some respects I sympathize with the minister because I know that he would like to make the amount far greater than it is. I know that personally he would like to put the pensions up as far as it is possible to go, and also the war widows' allowances. But I know that he is subject to government policy. I know that in whatever he says under the bill he must protect the policy of the government. There is no getting away from that, and it is the government policy that I am now attacking because the provisions made by this bill are inadequate for these pensioners and especially for war widows who are left penniless.

I am reminded of a gentleman, not a war pensioner, who died not so long ago. He was a millionaire who had been one of the leading restauranteurs in the United States. He made so much money in the restaurant business that he went insane and he died in an insane asylum. He died crying out, "Cut the ham thinner, boys; cut the ham thinner." It appears to me that perhaps the government is on its last legs. This would seem to be so from what it has been responsible for recently. There has been the income tax forms, a reluctance to make any change in freight rates and so on. Surely the government is facing the insane asylum and now, by this bill, is crying out, "Cut the ham thinner, boys; cut the ham thinner".

Mr. JOHNSTON: It is still bologna.

Mr. HANSELL: Maybe it is bologna they are cutting. Maybe they are cutting it so thin that there is nothing left to cut. During the Easter recess I was speaking to a prominent Conservative in my riding, perhaps the only one there.

Mr. BENTLEY: That is why he is prominent.

Mr. HANSELL: That is why he is prominent. He said to me, "Mr. Hansell, I am wondering if the government want to be defeated. Are they not playing their cards in order to be defeated? I am wondering whether they are finding governmental responsibilities in this day and age too much for them and want someone else to take over?" That is the way it looks.

An hon. MEMBER: More bologna.

Mr. HANSELL: That is the way it looks to me. On the other hand, maybe the Conservatives do not want power either. I do not know where we are getting to.

An hon. MEMBER: You cut the ham pretty thin then.

Mr. HANSELL: I do not know who could cut the ham thinner. It could not be cut much thinner than it is.

I have said what I wanted to say. I believe that our veterans, and especially their widows, should be treated as this country can afford to treat them. I do not mean afford by virtue of the amount of taxes the finance minister can squeeze out of the public. I mean what we can afford to give them by reason of our vast wealth, and no one will say that this country is not one of the richest in the world. It is up to the government, therefore, to adjust its policies so as to make that wealth available to the people and especially to war veterans and widows of war veterans who are called upon in these days of high cost of living to live on a mere pittance.

Mr. D. KING HAZEN (Saint John-Albert): Mr. Speaker, the suggestion that has just been made by the hon. member for Macleod (Mr. Hansell) that veterans should not pay taxes is one that I believe will not be well received by a great many veterans in this country. The men who volunteered and went overseas and fought to defend this country and overcome the forces of evil are, I believe, just as anxious to bear their full share of the responsibilities of this country in peace as in war.

Mr. HANSELL: Let them do so voluntarily.

Mr. HAZEN: They believe they should bear their full responsibility and pay their full share as citizens of this country. I believe that the majority of the members of the Canadian Legion, as it is usually referred to, though its full name is the Canadian Legion of the British Empire Service League—and I must say I like that name and am proud of it—want to serve their country as faithfully and loyally in peace as they did in war.

I rise, Mr. Speaker, for the purpose of making one suggestion only, and I shall be very brief. I am not a member of the committee to which this bill to amend the War Veterans Allowance Act is to be referred, and my purpose in rising is to ask that committee to amend the bill to provide a veterans allowance for those men who volunteered for service in the Boer war and went to South Africa but did not arrive there until January 1, 1902. It was not their fault that the war came to an end before they engaged the enemy. They volunteered for service and went overseas, as did the men in the second great war who are to be granted this allowance because they went to Great Britain. But, as I understand the act, the men I speak of who went to South Africa and arrived there after January 1, 1902, are not eligible for the veterans allowance. These men are now old, and many of them are not capable of doing the work they formerly did. Some of them are in need of assistance. If this act is to be regarded as a social security measure, as some members who have taken part in the debate have said, every consideration should be given to these men and they should be granted the veterans allowance.

The Minister of Veterans Affairs (Mr. Gregg) on the second reading of the bill informed the house that only 592 veterans of the South African war were in receipt of this allowance. If the act were amended to include the men who went to South Africa

but did not arrive there before January 1, 1902, the additional number would not be large and their inclusion would involve no great strain on the treasury of this country. So I would ask the committee when the bill comes before it to amend it by providing that men who volunteered for service in the South African war and who went to South Africa but did not arrive there before January 1, 1902, be included among those who are entitled to a veterans allowance.

Mr. J. O. PROBE (Regina City): Mr. Speaker, in view of the fact that I am not a member of the veterans affairs committee this year I should like to make one or two suggestions with respect to the bill which is to go to the committee after second reading. I shall not take up much time, probably only ten or fifteen minutes, and perhaps you would now call it six o'clock, Mr. Speaker.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 12, for the relief of Florence Joyce West Shannon.—Mr. Maybank.

Bill No. 13, for the relief of Alice Cecilia Anne Magniac Bailey.—Mr. Maybank.

Bill No. 14, for the relief of Valerie Jean Lewis Samson.—Mr. Maybank.

Bill No. 15, for the relief of William Neville Buckingham.—Mr. Maybank.

Bill No. 16, for the relief of Marguerite Elsie Dunan Currie.—Mr. Maybank.

Bill No. 17, for the relief of Ellen Catherine Holder.—Mr. Maybank.

Bill No. 18, for the relief of Doris Amy Peate Taylor.—Mr. Maybank.

Bill No. 19, for the relief of Kenneth Elliott Mitchell.—Mr. Maybank.

Bill No. 20, for the relief of Margaret Craig Carmichael Nicholson.—Mr. Maybank.

Bill No. 21, for the relief of Hilda Emily Brown.—Mr. Maybank.

Bill No. 22, for the relief of Joan Ruth Grimble Campbell.—Mr. Maybank.

Bill No. 23, for the relief of Raymond Masse.—Mr. Maybank.

Bill No. 24, for the relief of Barbara Mary Day Duffy.—Mr. Maybank.

Bill No. 25, for the relief of Joseph Dunn.—Mr. Maybank.

Bill No. 26, for the relief of Rena Victoria Rabin Wolfe.—Mr. Maybank.

Bill No. 27, for the relief of Frederik Smith.—Mr. Maybank.

Bill No. 28, for the relief of William Thomas Wright.—Mr. Maybank.

Bill No. 29, for the relief of Marie Antoinette Aubut dit Cimon Charron.—Mr. Maybank.

Bill No. 30, for the relief of James Arnold Wells.—Mr. Maybank.

Bill No. 31, for the relief of Magdelena Kleiziute Testart.—Mr. Maybank.

Bill No. 32, for the relief of Hazel Shirley Elizabeth Hart Layton.—Mr. Maybank.

Bill No. 33, for the relief of Irene Morgan Neilson.—Mr. Maybank.

Bill No. 34, for the relief of Elerick Montgomery Barton.—Mr. Maybank.

Bill No. 36, for the relief of Adelaide Margaret Munn Bain.—Mr. Maybank.

Bill No. 37, for the relief of Gwendolyn Beulah Russell Denenfeld.—Mr. Maybank.

Bill No. 38, for the relief of Miriam Salomon Starr.—Mr. Maybank.

Bill No. 39, for the relief of Laura Krause Suffrin.—Mr. Maybank.

Bill No. 40, for the relief of Jean Fullarton Craig Walker.—Mr. Maybank.

Bill No. 41, for the relief of William Hesketh.—Mr. Maybank.

Bill No. 42, for the relief of Janet Alice Smith Bennett.—Mr. Maybank.

Bill No. 43, for the relief of Gwendoline Elizabeth Hunt Edmund.—Mr. Maybank.

Bill No. 44, for the relief of Reta Mabel Welch Gilbert.—Mr. Maybank.

Bill No. 45, for the relief of Leah Shrimer Schanker.—Mr. Maybank.

Bill No. 46, for the relief of Doris Mary Stratton Stuart.—Mr. Maybank.

Bill No. 51, for the relief of Hellmut Hans Karl Pokorny.—Mr. Maybank.

Bill No. 52, for the relief of Bella Wine Rapps.—Mr. Maybank.

Bill No. 53, for the relief of Winifred Anthony Leith.—Mr. Maybank.

Bill No. 54, for the relief of Eugene Alden Anderson.—Mr. Maybank.

Bill No. 55, for the relief of Shirley Leighton Pawson Milligan.—Mr. Boucher.

Bill No. 56, for the relief of Mary Josephine Ruth Girard Rosenberg.—Mr. Maybank.

Bill No. 57, for the relief of Leah Marcelle Pettitt Reeve.—Mr. Croll.

Bill No. 58, for the relief of Marie Yvette Francoise Bayard Savard.—Mr. Maybank.

Bill No. 61, for the relief of Simone Boily Whitelaw.—Mr. Maybank.

Bill No. 62, for the relief of Ernest Alfred Coker.—Mr. Maybank.

Bill No. 63, for the relief of Clarence William Henry Hodgson.—Mr. Maybank.

Bill No. 64, for the relief of Vera May Paulson Ward.—Mr. Maybank.

Bill No. 65, for the relief of Ruth Ethel Attwood McVicar.—Mr. Maybank.

Bill No. 66, for the relief of Henry George Halsey.— Mr. Maybank.

Bill No. 67, for the relief of George Crosby-Wilson Gray.—Mr. Maybank.

Bill No. 68, for the relief of Joseph David Ernest Paul Maysenhoelder.—Mr. Maybank.

Bill No. 69, for the relief of Myrtle Macdonald Heale Daniluk.—Mr. Maybank.

Bill No. 70, for the relief of Robert Grincill Barnet Jones.—Mr. Maybank.

Bill No. 71, for the relief of Gertrude Katherine Margolis Bird.—Mr. Maybank.

Bill No. 72, for the relief of Cecilia Maud Wood Marshall.—Mr. Maybank.

Bill No. 73, for the relief of Beatrice Doris Haggerty Goodier.—Mr. Maybank.

Bill No. 74, for the relief of Joyce Knowles Ledoux.—Mr. Maybank.

Bill No. 75, for the relief of Robert Ernest Beadie.—Mr. Maybank.

Bill No. 76, for the relief of Grace Davis Park Parr.—Mr. Maybank.

Bill No. 77, for the relief of Jeanne Crete Benoit.—Mr. Maybank.

Bill No. 78, for the relief of Sarah Cummings Menzies Carlin.—Mr. Maybank.

Bill No. 79, for the relief of Annie Goldenberg Schulman.—Mr. Maybank.

Bill No. 80, for the relief of Clarice Jean Field Campbell.—Mr. Maybank.

Bill No. 81, for the relief of Georgina Claire Williscroft Bovard.—Mr. Maybank.

Bill No. 82, for the relief of Saul Jack Costin.—Mr. Maybank.

Bill No. 83, for the relief of Mary Shore Bernstein.—Mr. Maybank.

Bill No. 84, for the relief of Saul Ettinger.—Mr. Maybank.

Bill No. 85, for the relief of Lloyd Arthur Davies.—Mr. Maybank.

Bill No. 86, for the relief of Alfred Keeley.—Mr. Maybank.

Bill No. 87, for the relief of Marie Albina Ethel Dubois Howick.—Mr. Maybank.

Bill No. 88, for the relief of Ignaty (Ignas) Sokolovsky.—Mr. Maybank.

Bill No. 89, for the relief of Laura Grace Hanley Huggenberger.—Mr. Maybank.

Bill No. 90, for the relief of Eva Wolfovitch Zloty, otherwise known as Eva Wolfovitch Gold.—Mr. Maybank.

Bill No. 91, for the relief of Sheila Lightstone Marcus.—Mr. Maybank.

Bill No. 92, for the relief of Lea Alvina Mary Boulay Orr.—Mr. Maybank.

Bill No. 93, for the relief of Armand Lapierre.—Mr. Maybank.

Bill No. 94, for the relief of Georgette Ruth Cote Geller.—Mr. Maybank.

Bill No. 95, for the relief of Mary Elizabeth Ellwood Blackburn.—Mr. Maybank.

Bill No. 96, for the relief of Annie Elizabeth Horseman Charters.—Mr. Maybank.

Bill No. 97, for the relief of Sarah Ann Older Verrier.—Mr. Maybank.

Bill No. 98, for the relief of Anna Martha Kokojachuk Waugh.—Mr. Maybank.

Bill No. 99, for the relief of Elsie Mark Farley.—Mr. Maybank.

Bill No. 100, for the relief of Lela May Begley Hall.—Mr. Maybank.

Bill No. 101, for the relief of Marguerite Isaacs Katz.—Mr. Maybank.

Bill No. 102, for the relief of Delilah May Jacobs Button.—Mr. Maybank.

Bill No. 103, for the relief of Ruth Shkurnik Gilbert.—Mr. Maybank.

Bill No. 104, for the relief of Goldie Tessler Wise.—Mr. Maybank.

Bill No. 105, for the relief of Martha Norman McCairns.—Mr. Maybank.

Bill No. 106, for the relief of Marion Rita Kendall O'Donahoe.—Mr. Maybank.

Bill No. 107, for the relief of Gertrude Mae McLean Cole.—Mr. Maybank.

Bill No. 108, for the relief of Freda Gertrude Parkes McMillan.—Mr. Maybank.

Bill No. 109, for the relief of Alma Petrides Prysky.—Mr. Maybank.

Bill No. 110, for the relief of Jean MacDonald Di Falco.—Mr. Maybank.

Bill No. 111, for the relief of Betty Yossem Edelstein.—Mr. Maybank.

Bill No. 112, for the relief of Leonard Carlton Matthews.—Mr. Maybank.

Bill No. 113, for the relief of St. Kilda McKay McLean Anderson.—Mr. Maybank.

Bill No. 116, for the relief of Nellie Polistuck Levac.—Mr. Maybank.

Bill No. 117, for the relief of Eleen Rose Gray Lawson.—Mr. Maybank.

Bill No. 118, for the relief of Frieda Kimelfild Solomon.—Mr. Maybank.

Bill No. 119, for the relief of Gordon Merrill Fuller.—Mr. Maybank.

Bill No. 120, for the relief of Phyllis Joyce Bradfield Ainsworth.—Mr. Maybank.

Bill No. 121, for the relief of Michael Charles Parr.—Mr. Maybank.

Bill No. 122, for the relief of Edna Birch Drimer.—Mr. Maybank.

Bill No. 123, for the relief of Elinore Oakes Forgues.—Mr. Maybank.

Bill No. 124, for the relief of Mary Gwozdecka Carter.—Mr. Maybank.

Bill No. 125, for the relief of Ralph Woodall.—Mr. Maybank.

Bill No. 127, for the relief of Joseph Onfroy Pilon.—Mr. Maybank.

Bill No. 128, for the relief of Thelma May Heggie May.—Mr. Maybank.

Bill No. 129, for the relief of Molly Renetta Fry Bist.—Mr. Maybank.

Bill No. 130, for the relief of Patricia Potter Parker.—Mr. Maybank.

Bill No. 131, for the relief of Helen May Smith Saunders.—Mr. Maybank.

Bill No. 132, for the relief of Jean Duncan Girard.—Mr. Maybank.

Bill No. 133, for the relief of Evelyn Sylvia Jones Bowen.—Mr. Maybank.

Bill No. 134, for the relief of Joseph Eugene Ernest Bourbonnais.—Mr. Maybank.

Bill No. 139, for the relief of Mildred Frances Batten Gzowski.—Mr. Maybank.

Bill No. 140, for the relief of Irene Nellie Kon Ballantyne.—Mr. Maybank.

Bill No. 141, for the relief of Theophile Gobeille.—Mr. Maybank.

Bill No. 142, for the relief of Violet Mary Cowper Preston.—Mr. Maybank.

Bill No. 143, for the relief of Virginia Grace Borland Langton.—Mr. Boucher.

Bill No. 144, for the relief of Ethelwyn Lillian Flynn Budd.—Mr. Croll.

Bill No. 145, for the relief of Alfred Winston Savage.—Mr. Maybank.

Bill No. 147, for the relief of Diana Eve Whittall Beurling.—Mr. Maybank.

Bill No. 152, for the relief of Rose Landes Clopoff.—Mr. Maybank.

Bill No. 153, for the relief of Micheline Desautels Dooney.—Mr. Maybank.

Bill No. 154, for the relief of William Roydon Slator.—Mr. Maybank.

Bill No. 155, for the relief of Marie Eva Thibodeau Buelow.—Mr. Maybank.

Bill No. 156, for the relief of Margaret Sleno Staines.—Mr. Maybank.

Bill No. 157, for the relief of Jean Hume Munro Auburn.—Mr. Maybank.

Bill No. 158, for the relief of Gilles Henault.—Mr. Maybank.

Bill No. 159, for the relief of Edward Gordon Jakeman.—Mr. Maybank.

Bill No. 160, for the relief of Kathleen McKeown Stevenson.—Mr. Maybank.

Bill No. 161, for the relief of Alice Mary Gallant Currie.—Mr. Maybank.

Bill No. 162, for the relief of Muriel Frances Marks Buchanan.—Mr. Maybank.

[Mr. Maybank.]

Bill No. 163, for the relief of Leona Selma Cutway Hall.—Mr. Maybank.

Bill No. 164, for the relief of Avery Patricia Gill Reinhold.—Mr. Maybank.

Bill No. 165, for the relief of Poppy Catherine Hayakawa Smith.—Mr. Maybank.

Bill No. 166, for the relief of Dolores Margaret Paul Warner.—Mr. Maybank.

Bill No. 167, for the relief of Norma Bernstein Levee.—Mr. Maybank.

Bill No. 168, for the relief of Eileen Sophie McNamara Sepchuk.—Mr. Maybank.

Bill No. 169, for the relief of Mary Rowan Young Conway.—Mr. Maybank.

Bill No. 170, for the relief of Ethel Margaret Tweddell Cartmel.—Mr. Maybank.

Bill No. 174, to incorporate The Canadian Association of Optometrists.—Mr. Cote (Verdun).

Bill No. 175, for the relief of Winifred Audrey Meyer Holton.—Mr. Maybank.

Bill No. 176, for the relief of Chester Adam Hart.—Mr. Maybank.

Bill No. 177, for the relief of Marie Marguerite Cecile Gagnon Lescadres.—Mr. Maybank.

Bill No. 178, for the relief of Samuel Reinhardt Lewis.—Mr. Maybank.

Bill No. 179, for the relief of Ersilia Pace Imonti.—Mr. Maybank.

Bill No. 180, for the relief of Helen Rose Noel Steele.—Mr. Maybank.

Bill No. 181, for the relief of Edith Saltzman Rashkovan.—Mr. Maybank.

Bill No. 182, for the relief of Ida Malfara Romanelli.—Mr. Maybank.

Bill No. 185, for the relief of Francis Clyde Peachey.—Mr. Boucher.

Bill No. 186, for the relief of Harriet Dodd McLachlan Cummings.—Mr. Maybank.

Bill No. 187, for the relief of Phyllis Smith Curtis.—Mr. Maybank.

Bill No. 188, for the relief of Jacqueline Louise Waddington Skinner.—Mr. Maybank.

Bill No. 189, for the relief of George Malouf.—Mr. Maybank.

Bill No. 190, for the relief of Sonja Anna Margaret van der Walde Brown—Mr. Maybank.

Bill No. 191, for the relief of Richard Edward Welsh.—Mr. Maybank.

Bill No. 192, for the relief of Violet Maude Mitchell.—Mr. Maybank.

Bill No. 193, for the relief of Elsie Williams Lodge.—Mr. Maybank.

Bill No. 194, for the relief of Joseph Albert Aldee Leveillee.—Mr. Maybank.

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Friday, March 19, consideration of the motion of Mr. Rinfret for the second reading of Bill No. 8, respecting the Bell Telephone Company of Canada.

Mr. WILLIAM IRVINE (Cariboo): Mr. Speaker, I wish to make a few remarks on this bill, and first of all I should like to refresh the memories of hon. members by referring to the explanatory note. The purpose of this bill is to obtain authority to increase the capital stock of the company from $150 million to $500 million. The company's present authorized capital stock is $150 million. There remains yet unissued $13,336,700 of authorized capital stock. So far there has been no adequate explanation of this tremendous increase in capital stock.

At this point I think I ought to express my personal appreciation of the efforts of the hon. member for Broadview (Mr. Church), the hon. member for Davenport (Mr. MacNicol) and other hon. members who have taken part in this debate.

Mr. KNOWLES: Good public ownership members.

Mr. IRVINE: Yes. I congratulate them on the good service which I believe they have rendered to this house and to the country by taking the attitude they have toward this legislation.

I recall that in 1928 this company appeared before parliament for an increase in its capital by $75,000,000, and at that time there was as keen opposition as there is on this occasion to permitting the company to increase its stock to the extent then proposed, the only difference being that at that time there was more strenuous opposition to the manner in which the company had been accustomed to issue its stock.

At that time there were charges that the company had issued its stock to its friends, to members of the company. It issued new stock at par to the members of the company, while the value of the stock was as high as $193. I was looking up the old records here in the 1928 *Hansard*, at page 3084, and I find a quotation from the Toronto *Globe* of that time of a statement made by a Mr. Reid, who was counsel for the province of Ontario before the railway commission when the matter of telephone rates was up for discussion. Speaking of the Bell Telephone Company at that time, that gentleman made this statement:

> The history of its stock issues shows that the company has been making a regular practice of issuing stock to it shareholders at par of $100 per share when it was listed and selling on the exchanges at market prices, forty per cent, fifty per cent, sixty per cent, seventy-five per cent, and in the instance in the year 1899 at ninety-three per cent higher than its par value, and in each of such cases the shareholders were given a bonus of $40, $47, $50, $60, $75 and $93 per share, in addition to the regular dividend of eight per cent.

That was a very fair melon, if you like to call it that, and I imagine that the taste is still keen for that kind of fruit. It is just possible that with $500 million capitalization there would be afforded an opportunity for carloads of such melons to be brought in.

An hon. MEMBER: Don't you like melons?

Mr. IRVINE: I do not like melons, if my hon. friend wants to know. As a matter of fact I usually get lemons, and my hon. friend is probably in the same boat. However, this telephone business is one of those services which I think most people will agree should be under public ownership. The telephone system should be run, if any service is run, for the purpose of giving the utmost service to the community at large and not for any profit whatsoever. It should be run at cost, at the cost of maintaining the service. I know of no other way by which proper services can be given to all the people impartially.

A private company running a telephone system for the profits which it can make from the enterprise will invariably centre its services in the larger communities and sometimes neglect entirely the sparsely settled communities. In this bill there is absolutely no provision for any extension of service to be rendered to the public. No assurance is given in the bill anywhere that under certain conditions the company will be obligated to give service to the community, and until such assurance is absolutely guaranteed I certainly think we would be remiss in our duty if we passed this measure.

The last time the bill was before the house some hon. member—I am not sure who it was but I believe it was the Minister of Trade and Commerce (Mr. Howe)—suggested that the more people there were on a telephone line, the more expensive it was. That, of course, is not true. It is true, I think, that the more people there are on the telephone system, the better the service or at least the greater service one gets for the money paid for the telephone because he is put in touch with a greater number of people. But I think the minister would not hold that, if half the people of Ottawa had their telephones cut off tomorrow, the other half would get their telephones much

cheaper because of that. Yet that would be the logic of the point of view which was then expressed.

Mr. RINFRET: It depends on the number of lines.

Mr. IRVINE: I am opposed to this bill and I am opposed to the increase in capitalization, first, because I am opposed to giving a monopoly of a public service of this kind to any company whatsoever. No private company is good enough to be trusted with a monopoly of a public service. So from that point of view I wish to register my objection. It is not only the fact that this company has the monopoly of the telephone business in eastern Canada, but through its subsidiary, the Northern Electric Company, it has also practically the control of all supplies necessary for the telephone systems throughout the country. If I remember rightly, the point was brought out in discussion in 1928 that this Bell Telephone Company would buy its supplies from itself at enormous prices, and thus make profits through its own subsidiary in a manner which could not have happened had there been any competition at all in supplying the requirements of the company. In other words, it could over-charge itself through its own subsidiary, and the public paid the difference in charges made for services.

As I say, there has been no explanation of this over-capitalization of $500,000,000, and no satisfactory explanation has been offered to the house as to why this should be asked for or why it should be granted. This, however, we can say. The public, in the last analysis, must pay for all capitalization; and particularly will it be required to pay for over-capitalization. So I would remind the sponsor of this bill that I for one wish to have a more complete explanation of why this increase in capital is being asked for, and I also want—

Mr. RINFRET: Let it go to the committee, then.

Mr. IRVINE: —to know how the stock is to be issued. My hon. friend says to let it go to the committee. By that he means, let us first get the endorsement of the house to something that we do not like; then when we get to the committee we shall be told that the principle of the bill has already been passed, and to take it and like it.

Mr. RINFRET: That is not so with regard to private bills.

Mr. IRVINE: That is the way things go. I do not propose just to let things go to a committee without offering my objection beforehand, so that I may be sure that I have had an opportunity of making that objection. Perhaps the most objectionable feature of the bill is the stock-splitting proposal, and that will be found in the third section of the bill.

Mr. SPEAKER: Order.

Mr. IRVINE: I appreciate, Mr. Speaker, that I am not supposed to quote from the bill.

Mr. SPEAKER: Order. I would ask the hon. member to confine his remarks to the general principle of the bill. The section of the bill may be dealt with when we reach the committee stage.

Mr. IRVINE: I thank you, Mr. Speaker, for having prevented me from quoting; but it happens that the principle of the bill includes the splitting of stock. Since that is so, without referring to the particular clause or without quoting it, I surely will be permitted to discuss the principle of stock splitting, and that is included in the bill. I want to object to that very much indeed.

In the first place, this is a method adopted presumably with the design of obscuring the actual return that is paid on capital. I do not say that it will be used for the purpose, for instance, of cheating the collector of taxes, because that would be a difficult thing to do. But it could be used to fool the public. Since this is a public service, and since the public will have to be charged increased rates whenever the profits of the company require that rates be raised, instead of saying, "We received 10 per cent last year," it is a convenient thing to be able to say, "We received 2½ per cent." When you have split your stock into four, 10 per cent on the original stock becomes 2½ per cent. That sounds so much better in a public report that the public would not mind having the rates raised if only 2½ per cent were made; whereas all the time 10 per cent and maybe, for all I know, 20 per cent has been made.

Mr. RINFRET: Not 10 per cent.

Mr. IRVINE: I do not like that hypocritical way of doing the thing. I think this company should be required to face up—

Mr. FERGUSON: May I ask a question of the hon. member? Does he really believe that the interest yield of 10 per cent on an investment is changed to 2½ per cent on the investment because a man has more shares of stocks? That is what he said. Does he believe what he said?

Mr. RINFRET: In dollars; not in percentage.

Mr. IRVINE: I think my hon. friend is getting warm, as we say in the old game.

Mr. FERGUSON: "Exasperated" is the word.

Mr. IRVINE: It is quite true that it does not alter the actual profits that might be made.

Mr. FERGUSON: Why does the hon. member not say what he means?

Mr. IRVINE: But it alters the report of that profit. That is the thing I am trying to get at.

Mr. FERGUSON: It does not alter the profits at all.

Mr. SPEAKER: Order.

Mr. IRVINE: My hon. friend may take the floor, or whatever you want to call it, and say all he wants to say when I am through. I am expressing what appears to me to be the situation, or a possible situation to be brought about by the splitting of stock. If it cannot be so, and my hon. friend can show that, I shall be glad to learn it. But I am not the only one who takes that view. I can show my hon. friend, or quote to my hon. friend the words of men of financial repute in this city and in the employ of this government, which would support the point I am making there, and show that they say exactly the same thing about it that I have just said.

The next objection to the splitting of the stock is that usually those who buy later on are at a disadvantage, for this reason. Of course the excuse is always, "Oh, we split the stock because we want the dear public all to come in."

Mr. CASTLEDEN: The widows and orphans.

Mr. IRVINE: Yes. It is easier for them to buy a $25 share than a $100 share; so it is said, "It is in the interests of the dear people that we are splitting our stock". I know that is the excuse, but this is what usually follows. When stock is split in this fashion there is usually a quickening of the market, a stimulation, so the stock goes up. The original $100 share may be split into four $25 shares, and each of those shares may go from $25 to $30.

Mr. MANROSS: Time to sell.

Mr. IRVINE: Well, if it goes up to $30 it has greatly benefited the original stockholders. But then they begin to unload on, shall I say, the suckers; is that a parliamentary word? That is where they unload it; the dear people become suckers and pay the extra stock values that their own competition to get in on the cheap stock has created. That is the usual practice in a stock-splitting proposition of this kind. The $25 share may go up to $30. It may go twice as high, but let us say it goes to $30. This increases the original value from $100 to $120, which is a very considerable increase for those who have the privilege of holding the original stock. As I say, the newcomers take the loss; the original shareholders make the gain, and in the last analysis I presume the public pays.

The next principle in this bill to which I object is that which gives this company the right to deal in or control wireless and radio and all the newest devices, appliances and principles which may be developed in these matters. I cannot quote this, but it is stated in the bill that this is a clarification of powers the company has always had. If the company has always had them, what is the need of clarification? But if the company did not always have them the clarification, so called, will see that it gets them from now on. So I am opposed to that provision in this bill. Surely this house is of the opinion by now that wireless, radio, television and so on should not be entrusted to any private corporation. No private company, I repeat, should be given power to handle a public service such as radio communication, television and so on.

For these reasons, Mr. Speaker, I am opposed to this bill. My hon. friend may think I am going to try to talk out the bill. I am not. I am going to conclude my remarks right now, because I want every measure to have an opportunity to be voted upon in this house. I do not believe it would be democratic for me or anyone else to occupy all the time available to this or any other bill in order to prevent it from coming to a vote in the house. I have, however, taken this opportunity to register my protest, and if others feel like it I hope that they will do the same; that ultimately this legislation will come to a vote, and that the house will vote it down.

Mr. RONALD MOORE (Churchill): Since the introduction of this bill I have become very much interested in the action that probably will be taken should it pass the house. I have discovered that the Bell Telephone monopoly is one of the largest monopolies in existence anywhere in the world; and I think it would pay all hon. members to read one of the books in our parliamentary library which deals with this Bell monopoly. It is entitled: "The American Telegraph and Telephone Company; the Story of a Great Monopoly", by Horace Coon, and was written in 1939. It is absolutely amazing the number of companies controlled by the American Telegraph and Telephone Company, and I should like to give a list of at least some of these corporations. At page 155 of this book I find that these associated companies are controlled by the Bell system in the United States—

Mr. MANROSS: What about Canada?

Mr. MOORE: The system in Canada is controlled by the same company in the United States, and they also control the English telephone system. Take the New England Telegraph and Telephone Company; 66·31 per cent of its stock is controlled by the company I have mentioned.

Mr. SPEAKER: Order. If I understand the hon. member correctly he is about to quote a number of companies who are affiliated with the Bell Telephone Company of the United States?

Mr. MOORE: Yes.

Mr. SPEAKER: The bill before the house is not concerned with the Bell Telephone Company of the United States; it has to do with the Bell Telephone Company of Canada.

Mr. MOORE: I agree entirely, Mr. Speaker, but I think it can be easily seen by all hon. members that since the Bell system in Canada is only a part of the American system it is relevant to point out that this is one great world monopoly in the field of telephone communication.

Mr. SPEAKER: Order. The hon. member knows perfectly well that on second reading the debate should be confined to the principle of the bill which is before the house. The bill under consideration just now is with respect to the Bell Telephone Company of Canada. So I would ask the hon. member who has the floor and other hon. members to confine their remarks to the merits of the bill before the house.

Mr. MacINNIS: If I may comment on the point of order, this bill asks for the extension of the capital of the Bell Telephone Company of Canada, and surely anything bearing upon that has to do with the principle of the bill. You cannot discuss the principle of the bill without associating it with something else. So I should say the remarks of the hon. member for Churchill (Mr. Moore) are quite in order and that it has always been in order to discuss a matter of this kind.

Mr. SPEAKER: I am sorry, but I do not agree with the hon. gentleman. It is clear that the bill before the house has to do with the Bell Telephone Company of Canada, so the hon. member should confine his remarks to that company.

Mr. MOORE: Well, Mr. Speaker, I do not entirely agree that these other matters should not be considered in connection with the Canadian system. However, since it is the ruling of the Chair that what I have been saying is out of order with respect to this bill I shall confine my remarks to the Bell system in Canada. At the start I want to say that I am not in any way attacking the Bell system for its labour relations or any matters of that kind. I believe we have to concede right at the beginning that the Bell Telephone Company of Canada is one of the best private companies in this country for which any individual could wish to work. But the principle behind this bill is not in the interest of the public of Canada. And I venture to say that, instead of this house passing the legislation, we ought to look to the time when we in Canada shall be able to control our telephone system. Already we control it in Manitoba, Saskatchewan and some of the other western provinces. The reason we control it there is that at the time telephone lines were built in western Canada it was not profitable to go into that business. I believe that, particularly in Manitoba, it began as private enterprise but, to use a common term, it fell through, and the government had to take it over.

Mr. RINFRET: That is not true.

Mr. MOORE: The government took it over anyway.

Mr. RINFRET: It took it over, but it was not broke.

Mr. MOORE: It was very nearly.

Mr. IRVINE: Badly cracked.

Mr. MOORE: The same position as the five privately owned railroads.

Mr. RINFRET: Not at all.

Mr. MOORE: Otherwise private enterprise would not have allowed it to be taken over. The only reason we have this great monopoly today is that it was profitable at that time to go into that business.

There was only one other point I wished to make this evening in connection with this telephone system. There is great danger that if we continue the private ownership of telephone systems in Ontario and Quebec they will in time control radio broadcasting as well. Here again we find a similarity with the position in the United States. At page 205 of this informative book it states:

> The Bell system has a stranglehold on the radio industry at one of that industry's most strategic and vulnerable points, for it has a virtual monopoly in furnishing the wire facilities to broadcasting stations. Chain or network broadcasting cannot be made in the United States without the use of Bell system wires.

I submit that if we continue to allow the private ownership of telephones to expand in Canada we may get in this respect a similar situation in connection with radio to that now existing in the United States. I intend to vote against this measure.

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker—

Mr. GIBSON (Comox-Alberni): When do we get this vote?

Mr. KNOWLES: The hon. member asks when we shall vote. If I have anything to say about the matter, we shall vote in a very few minutes.

Mr. MacINNIS: We will let you help your friends in a minute.

Mr. KNOWLES: We of this group have made clear our position on the bill. We are not alone; we have had the excellent support of my good friend the hon. member for Broadview (Mr. Church) and my good friend the hon. member for Davenport (Mr. MacNicol), as well as the support of a few other public ownership members of the Tory party.

The basic reason for our objection to the bill is that we see in it the strengthening of a private monopoly in connection with a public service. Like my two good friends in the front row of the Tory party, here—

Mr. JACKMAN: Oh, talk for yourself.

Mr. KNOWLES: Take all the time you want. We feel that a public service of this kind should be a public monopoly and that we should move in that direction rather than in the direction of strengthening a private monopoly. In addition to that fundamental objection to the bill, we feel that even those in the house who do not support public ownership still have a responsibility to the people of Canada, whom they represent to consider a bill like this most carefully before it is passed. In the main—

Mr. RINFRET: Let it go to the committee.

Mr. KNOWLES: If my hon. friend will contain himself for a moment I shall make a suggestion which will be helpful.

Mr. MITCHELL: We are talking.

Mr. KNOWLES: Now, where was I, before the Minister of Labour's voice distracted my attention?

Mr. JACKMAN: You were against giving greater monopoly to private enterprise. That is the one point, sum and substance of all your speeches.

Mr. KNOWLES: Well, I am delighted to learn we have been able to make our point sufficiently clear that the hon. member for Rosedale (Mr. Jackman) understands it. That is a feather in the cap of the C.C.F.

Mr. JACKMAN: Don't be so ungentlemanly as to be boring.

Mr. KNOWLES: I was endeavouring to point out that even private ownership members in the house should look several times before they approve the principle of a bill which contains two particularly offensive features. One of those features is what we regard as a tremendous increase in the authorized capitalization; the other feature we regard as offensive is the one to which my colleague from Cariboo (Mr. Irvine) referred, namely the giving of retroactive rights in the field of radio, television and other things mentioned in the bill.

I feel there are members in the house who do not go along with us so far as our public ownership views are concerned, but who nevertheless consider that to grant this sort of extension of privilege to private interests is not good for private enterprise itself. It is just this sort of thing, as some private enterprise supporters realize, that brings private enterprise into disrepute.

For these reasons it seems to me that the discussion of the proposed legislation in committee, which the hon. member sponsoring the bill is so anxious to have, should take place before approval is given to the principle of the bill. The hon. member for Cariboo has already answered one interjection on that point by indicating what usually happens. Once second reading has been voted, we are told that from then on the house has approved the bill in principle, and that there is nothing left to do but to talk about minor details and, in the end, the bill becomes law.

So, as a generous gesture to the hon. member for Outremont (Mr. Rinfret) who wishes to get this matter to committee, and so as to facilitate the taking of the vote other hon. members have asked for, I move in amendment seconded by my deskmate, the hon. member for Mackenzie (Mr. Nicholson):

That Bill No. 8, letter C of the senate, be not now read a second time, but that the subject matter thereof be referred to the committee on railways, canals and telegraph lines.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? Those in favour of the motion will say "yea".

Some hon. MEMBERS: Yea.

Mr. SPEAKER: Those opposed will say "Nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: In my opinion the "nays" have it.

Mr. KNOWLES: You wanted a vote.

Mr. JACKMAN: We asked for bread and he gave us a stone.

The house divided on the amendment (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Archibald	McCullough (Assiniboia)
Bentley	MacInnis
Blackmore	McKay
Bowerman	McMaster
Bryce	MacNicol
Burton	Matthews (Kootenay East)
Campbell	Moore
Castleden	Nicholson
Church	Probe
Fair	Quelch
Hansell	Shaw
Hlynka	Thatcher
Irvine	Townley-Smith
Jaenicke	Wright
Johnston	Wylie
Knight	Zaplitny—34.
Knowles	
McCuaig	

NAYS

Messrs:

Arsenault	Gibson (Comox-Alberni)
Baker	Gingues
Barrett	Gladstone
Beaudoin	Golding
Beaudry	Gour (Russell)
Belzile	Gourd (Chapleau)
Bertrand (Prescott)	Grant
Black (Cumberland)	Gregg
Blanchette	Harkness
Boucher	Harris (Danforth)
Bourget	Harris (Grey-Bruce)
Bradette	Hazen
Bradshaw	Howe
Brooks	Ilsley
Brown	Isnor
Cardiff	Jackman
Case	Jutras
Casselman	Kirk
Charlton	Lafontaine
Cloutier	Langlois
Coté (St. Johns-Iberville-Napierville)	Lapointe
Coté (Verdun)	Laurendeau
Dechene	Leger
Denis	Lennard
Diefenbaker	Little
Dion (Lake St. John-Roberval)	McCann
Dionne (Beauce)	McCulloch (Pictou)
Douglas	Macdonald (Brantford City)
Emmerson	McGarry
Ferguson	McGregor
Fleming	McIvor
Fournier (Hull)	MacKinnon
Gardiner	MacLean
Gauthier (Nipissing)	McLure
Gauthier (Portneuf)	MacNaught
Manross	Robinson (Simcoe East)
Marier	Ross (St. Paul's)
Matthews (Brandon)	Rowe
Maybank	St. Laurent
Mayhew	Sinclair
Menary	Skey
Mitchell	Smith (Calgary West)
Mutch	Stephenson
Nixon	Timmins
Parent	Tremblay
Pearkes	Tustin
Pouliot	Warren
Richard (Ottawa East)	Weir
Rinfret	Winkler
	Winters—99.

[Mr. Speaker.]

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, it was our hope that this bill would have been allowed to go to a committee where all the relevant facts in regard to the company could have been brought out; but, since this is not to be done, it is not my intention to see the vote taken on the second reading until we know more about the principle of the measure.

An hon. MEMBER: How are you going to find out?

Mr. CASTLEDEN: If the bill had been sent to a committee we could have got the facts with regard to this application and the need for this increased capitalization.

First, let me say that if the bill related only to telephone service we might have let it pass, but it seeks to raise the authorized capital stock of the company from $150,000,000 to $500,000,000, which would make the company of such magnitude that it would affect the living and well-being of a great many Canadian people. This company has extended its service in the eastern part of Canada to the point where today it is practically a monopoly. Were that the only thing implied by this bill, it would not be too bad, but obviously we are on the eve of great developments in the field of communication.

Mr. SPEAKER: Order. The hour for private bills having expired, the house will now revert to the business before it at six o'clock.

WAR VETERANS ALLOWANCES

PROVISION FOR NEGLECTED OR DEPENDENT CHILDREN, INCREASED PERMISSIBLE INCOMES, ETC.

The house resumed consideration of the motion of Mr. Gregg for the second reading of Bill No. 196, to amend the War Veterans Allowance Act, 1946.

Mr. PROBE: Mr. Speaker, before the dinner hour the members of the house were expressing their views on the principle of the amendments to Bill No. 196, to amend the War Veterans Allowance Act. As I said when I rose to my feet at six o'clock, since I am not

privileged to act on the veterans affairs committee this year, I should like to mention a number of deficiencies in the bill for consideration by the committee.

First of all, I share the feeling expressed by other hon. members that the amounts allowed to those veterans who are unfortunate enough to require the benefits of the War Veterans Allowance Act are insufficient under present circumstances. The bill as it stands gives a maximum contribution from government sources, to the participants of the benefits of the legislation, of $40 a month for single persons or $70 a month for married persons, and there are permitted certain additional small incomes from other sources. The over-all effect is, of course, unchanged from the previous years. The total permissible income in the case of single veterans is $615 a year, and in the case of married veterans, $1,105 a year.

In view of the increase in the cost of living in the last couple of years particularly, in which we have had a rise in two years of 30 points, the minister might well have considered a bonus, perhaps on a sliding scale, in addition to whatever his government felt was a proper base income—a sliding scale bonus which would go up and down on the basis of the rise or fall in the cost of living, from a certain well defined yardstick, whether it be the scale of 1939 or the scale applying at the end of hostilities. A base period might well have been considered for which the allowance as it is now written into the proposed act might apply, with supplements that would vary periodically with the rise and fall in the cost of living.

There is one further deficiency that I see. I feel that the minister might have considered at the same time including in this war veterans allowance legislation the right of the veteran to receive certain specified medical treatment and hospitalization. That might be included to supplement further the benefits which the veteran might receive from the legislation, because, in the case of the married veteran receiving somewhat better than $2 a day, if from that sum there must be subtracted the cost of unforeseen accident or illness, with hospitalization and the medical bills that would ensue, he is worse off than the destitute, after all is said and done.

When the minister gave his statement yesterday he informed the house that there were under 31,000 recipients of benefits from the act—30,949, if his figures are correct, and I will question one phase of that in a moment—with a total cost to the Canadian nation of just under $15,000,000 as of the year 1947—$14,952,000 odd.

I think there may be one error in this statement and I should like the minister to make a note of it and to explain the figures as he has them. For example, under the heading "orphans, all wars", he told the house that there were fifty-three recipients of benefits and that the total liability on an annual basis was $25,596. That amounts to nearly $500 per orphan on an annual basis. The minister will concede that, according to the War Veterans Allowance Act, 1946, which is not amended in this particular under part II of the act, under clause 8, subsection 3, the maximum allowance payable in any year to or on behalf of orphan or orphans shall be $360 in the case of one child, and so on, and there is a sliding scale downwards. So that I think the minister should give some explanation with respect to that figure on the basis of $360 per orphan. The liability for fifty-three orphans would be something in the neighbourhood of $19,000 instead of $25,000. Unquestionably, therefore, there is an error either in the amount or in the number of recipients. Perhaps the fifty-three refers to fifty-three families of recipients. I trust the minister will give an explanation in that regard.

Another point which I think the minister should consider is with respect to the present amount payable under the War Veterans Allowance Act. This corresponds so nearly to the amounts that are payable by way of old age pensions in certain provinces, when the dominion does in fact pay the maximum, that it may under certain circumstances be desirable for the recipient of the war veterans allowance to refuse to accept the allowance and to accept the old age pension of the province.

I know it is not the wish of the Department of Veterans Affairs to increase the fiscal burden of the various provinces by having them assume the cost of the payment of allowances in respect of veterans; but under part IV of the War Veterans Allowance Act, which is not amended by the bill before the house, a recipient of the war veterans allowance cannot accept the old age pension of a province while at the same time accepting the war veterans allowance.

There is another matter I would ask the minister to consider. I believe he can do this with great credit to the department, and it would not cover a large number of cases. According to the present War Veterans Allowance Act, veterans' widows are eligible for pension only when they have attained the age of fifty-five, and then, of course, only under certain circumstances. Widows under fifty-five years of age are not eligible according to the

act, unless permanently unemployable by reason of physical or mental disability. That is the way the act reads.

There are widows in their forties, with children, who are neither physically nor mentally disabled, but because the children are too young, the mothers cannot leave them to find employment. Such widows are unable to qualify for the allowance under this act as it now reads. I am sure the number involved throughout Canada would not be excessive, and in view of the fact that the total cost of the act is not to be stepped up immeasurably as a result of the amendment the minister has brought in—it was under $15,000,000 as of December last—this will not create an additional burden on the dominion treasury, while it will help to rectify a situation which I feel the minister himself and the treasury benches would not wish to see perpetuated.

There is one final consideration, Mr. Speaker, and that is that there is no special provision for children unless they are orphans; that is, unless father and mother are both deceased. There are innumerable cases across this country where the recipient of that allowance has more than one or two children. In fact, it is one of the paradoxes of life, almost, that the more necessitous the circumstances of many people, the larger the family with which they are blessed. For our unfortunate veterans who must apply for war veterans allowance it seems to me that a case could be made out comparable with that for families of pensioners where consideration is paid to the size of the family.

I say, first of all, that I feel the minister has allowed the treasury board to be niggardly in the amount which it is allotting for war veterans allowances generally under present conditions. Because of the similarity in amount of provincial old age pensions and war veterans allowance, I feel there is a danger that there will be a temptation for the veteran in certain provinces to apply for the old age pension—when he reaches the age of seventy, of course—rather than to use the financial resources of the Department of Veterans Affairs for his support. I think the minister should see to it that no injustice is done to the province, and that special provision should be made for widows under the age of fifty-five who have children. In the case of large families, or families with more than one child, I think some supplementary allowance should be paid to the children of such veterans.

Mr. W. G. CASE (Grey North): I wish to add a word at this time, Mr. Speaker, because I believe there should be evidence of a desire on the part of members generally to encourage the committee to give more generous consideration to the provisions outlined in this bill. This is a measure introduced by a newcomer to the department, the Minister of Veterans Affairs (Mr. Gregg). I think the attitude we take here could encourage him and could strengthen his hand in his appeals to the government to provide more generous treatment for the War Veterans Allowance Act.

I suggest that we cannot afford to be niggardly with these veterans or the veterans' dependents. As a matter of fact we can afford to be generous, when one appreciates the resources of this great nation and the wealth which we possess. I would ask hon. members to recall, if they will, the fact that these veterans played their full part in preserving our way of life, in guaranteeing to us the security which we enjoy today. If we let our minds go back to those trying times when the bands were playing and the soldiers were marching forth to battle, it will be brought home to us that it is a sad commentary that the soldier is the man of the day and the man of the hour, but he is all too soon forgotten.

While these veterans were away, many men who remained at home had an opportunity to augment or to build up their resources. That opportunity was denied to the veteran who was serving overseas. Those years were lost years in the ordinary course of civilian life. The veteran suffered that handicap, if no other. I agree with my hon. friend who spoke this afternoon when he said that the veterans are not seeking any preferred treatment in their status as citizens of this country. They are willing to carry their full share of the load. But I feel that they are entitled to a just and proper reward for meritorious service in the defence of their country, that their widows should have consideration, and that their children particularly should have an opportunity of receiving an education comparable with that received by children of others who have been more fortunate and have been able to provide this opportunity for them.

Unfortunately, the world is a long way from being at peace. Already we hear notes of discord and the distant rumble of warfare. As a matter of fact there are those who will say that we are now at war—a cold war. We may again find it necessary to call upon the manhood of this nation to make a similar sacrifice. It is only fair that those who are prepared to make that contribution should have the absolute assurance that there will be, in reality, a sense of economic security for them. In other words, while we hesitate to glorify war, the present signs indicate that soldiering has become a profession; and it will remain

so as long as the world is in this state of anxiety and as long as this discord and lack of understanding prevail throughout the world. So I submit that our future security and our future ability to encourage another generation, or even this generation, of young men to take up arms, may depend upon the attitude we express in our parliament today.

I consider it most important that the committee on veterans affairs, to whom this bill will be referred, should be encouraged to believe that there is a large degree of unanimity in this house in regard to our desire to see that the veteran and his family receive far more generous treatment than they have received in the past. I can think of young men, now growing older, who, through a sense of loyalty and a sense of devotion, went forth to battle and played a tremendous part, who have since returned to our midst and whose health has been of an indifferent character all these years. They have not had the robust physique which has been enjoyed by some of their more fortunate fellow citizens; thus they have been under a handicap all these years. Now, as the shades of evening come closer, they are met with a degree of adversity, a lack of security; and I certainly feel that a burnt-out veteran and his family should not be subjected to the means test. With our wealth and resources we should indicate to these veterans that the nation is solidly behind them in peace just as we idolized them in war, when our very existence depended upon their bravery and courage.

So I would respectfully submit that the veterans affairs committee should take note of the temper of the speakers who have participated in this debate. They have endeavoured to interpret the attitude of thousands of Canadian people, and to show that the country is prepared to deal generously with her veterans. I believe the minister, who is directly responsible to the veterans, to this house and to the government, should pay heed to the remarks which have been made, because I have not heard one hon. member say this was enough. Everyone has urged more generous treatment. Everyone has intimated that he feels we are being altogether too niggardly. With that expression of opinion, surely the minister can approach his cabinet colleagues determined to secure their support for more adequate treatment of our veterans. With that leadership on the part of the minister and the members of the veterans affairs committee, I sincerely hope that more generous treatment will be given those to whom we owe so much, particularly with respect to economic security for themselves and their families.

Mr. RONALD MOORE (Churchill): Mr. Speaker, I do not intend to speak at any length this evening on this measure because as a member of the veterans affairs committee I shall have an opportunity later to bring up most of the points with which I wish to deal. Since that committee was set up, however, most hon. members of this house as well as the members of that committee have received many letters from veterans and veterans' organizations protesting against the treatment being given the veterans under the various acts. The measure now before the house, the War Veterans Allowance Act, is one of those measures which we think do not meet the requirements of the veterans. I believe every hon. member will agree that a single veteran in receipt of $365 a year, or $30.41 a month, does not receive enough to maintain anything like a Canadian standard of living. It is true, of course, that he is allowed other income up to a total of $615 a year; nevertheless even that is not sufficient to maintain a Canadian standard of living.

The main objection most veterans' organizations have with respect to the government's legislation is that it is not sufficiently generous toward the veterans, and I can wholeheartedly agree with that contention. For example, I do not see why a single veteran should not receive at least $50 and a married man at least $100 a month. I know there are people who argue that such expenditures on behalf of our veterans would take a great deal of money from the treasury. No doubt that is true; but it is also true that the income of this country is higher than ever before in our history. So while the government have this money I think they ought to place legislation on the statute books which will give our veterans a reasonable standard of living.

Then I should like to say a word in support of the veterans of the South African war. I believe this legislation should apply to them as well. There are other things I shall deal with when this matter comes before the veterans affairs committee, but I want to repeat that veterans across this country are not satisfied with the legislation which has been brought down. They feel it is not sufficiently generous, and I think they are right. I do not believe they can maintain anything like a reasonable standard of living on the amounts they receive under the War Veterans Allowance Act.

Mr. D. G. ROSS (St. Paul's): This may be my only chance to say something in connection with this matter, since I am not on the committee. I shall not detain the house for

long, but I felt it my duty to make a few remarks. I am glad the minister has seen fit to bring down this bill. It is long overdue, but it has been a great disappointment to me, as I am sure it has been to others. In introducing the bill, the minister said, as reported at page 2788 of *Hansard*:

> The terms of this bill will, I anticipate, receive careful study by the special committee on veterans affairs.

I hope it does receive careful study, so much so that when the bill is brought back to the house hon. members may have difficulty in recognizing it. Then the minister went on:

> In the main, Mr. Speaker, this bill is a further important step toward giving the old soldier who fought for his country the assurance that in his old age his country will provide him with some defence against poverty.

I do not think the amounts provided under this bill, a maximum of $40 for a single man and $70 for a married man, even with the amounts they are permitted to earn in addition, will give these veterans much protection against poverty. We must remember that the $20 the old soldier got back in 1930 was worth about $50 in terms of today's values, so that not very much is being given at the present time. I suggest that the minimum should be $50. It is within the discretion of the board to allow $50 in case of need for a single man, and up to $100 in case of need for a married man, but I say these men should be given a chance to earn a much larger total. I believe that total should be $750 for a single man and $1,200 for a married man; that would be a little more reasonable.

I do not intend to name the various groups who should receive assistance under this bill. The veterans of the South African war have already been mentioned several times. I would put in a word, however, for the non-pensioned widows, some of whom are finding it very difficult to get along today. They are not as young as they used to be; they have done a good job, and they deserve some assistance. Then there are the imperials and others who have been supported so strongly by many hon. members, more especially by the hon. member for Nanaimo (Mr. Pearkes) and the hon. member for Royal (Mr. Brooks).

In conclusion, let me say that these old soldiers and the widows of old soldiers either deserve adequate treatment, or do not deserve anything. Surely they deserve that adequate treatment, because the minister has said so. But I do not think we should be so niggardly. What we should do is to give them what would be a defence against poverty in their old age, and we ought not to be content just to give them partial aid. After all, when they reach the age some of these men have reached $40 a month is not very much, particularly when they cannot earn anything for themselves. It is poverty.

I hope that when the bill returns from committee it will be an entirely different looking product from what it is now.

Mr. L. E. CARDIFF (Huron North): Mr. Speaker, we are going to find that a great number of veterans will be disappointed in the bill unless, while in committee, it is revised so as to give those in distress much more consideration than the bill in its present form affords. I am not a member of the committee, and for that reason I should like to speak briefly this evening.

Let me say at the outset that I concur heartily with the appeal made so eloquently by the hon. member for Nanaimo (Mr. Pearkes), who spoke more effectively than I could ever hope to do. I agree with everything he said. This evening I have in mind one particular case, and I should like to bring to the attention of the house one point which I believe has not been discussed by any other member. I do not wish to repeat figures which have already been given. However I would refer to a soldier who came back from the war several years ago. This man was discharged in 1934 as having a heart condition. Dependent upon him were a wife and four children. He was discharged from the army with a ten per cent pension, was unable to do anything and indeed was confined to his bed. Because of his heart condition he was told not to exert himself in any way. After appealing for a reboard, he went back to the hospital for observation.

This man was let out a second time, again with a ten per cent pension. That was in March, 1944, and I did not know anything about the case until the fall of that year. During that length of time his wife had found it necessary to use all their spare money saved from the purchase of war bonds, and they had reached the point where they were fit subjects for relief. This man, however, was too proud to ask for relief, and his pride even prevented him from coming to see me to ask if I could do anything for him.

Let me say at once that I am glad to give credit to the department because, when I intervened on this man's behalf, his pension was increased immediately, I am told, to 100 per cent. They gave him $50 and also an allowance for each of his children, all of whom were under sixteen years of age. This brought in a total sum of about $90.

After a year he was reboarded and given observation, with the result that his pension

was cut, although he was still unable to do any work, and was under doctor's care. This man was told not to exert himself in any way but, periodically, he would feel better and would attempt to do some gardening or other light work. Each of those times he would have to go to bed for two or three days. His pension was cut from $50 back to $30, or thereabouts. It has been cut further since that time, and the second to last occasion he appeared for a reboard it was cut again.

This man is still unable to do anything. The oldest child has in the meantime reached the age of sixteen years, so that the father does not receive any allowance for him. That boy is out trying to earn a livelihood for himself. The family is, however, in next to destitute circumstances. I was in the house this winter and one could not tell by the temperature of the room if there was any heat in the building or not. I know this man could not afford to buy fuel. I do not know how much fuel he had in the house, or whether he had any. But I do know one could not feel any heat in that building. Surely that is a disgraceful condition.

The point I am making is this, that when this man went to hospital for a reboard he was not allowed to say anything on his own behalf. If he attempted to tell them anything he was told either to keep quiet, or that they would send him out. That is not right, surely. A man with a heart condition does not always look as sick as some others not suffering from that ailment might look. But I do not know how a man's condition could be ascertained unless the man himself were asked to give the symptoms, and to tell something about himself. Surely it is not right to have a man in hospital for observation, and then not permit him to speak on his own behalf. That is not fair and should not be allowed.

I hope that when the bill goes to committee the minister will reconsider it, and that if the recommendations in the bill are not sufficient he will redraft it so that these men will get what is rightfully theirs without having to have others intervene on their behalf. Why should we as members of parliament have to intervene for men who have served their country faithfully and well and then, upon discharge, find that they have disabilities for which they are not responsible? It is time parliament was big enough to look after these men without our having to make representations on their behalf.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, at this late hour in the debate, after so many members have spoken in favour of a more generous measure than the one now before us, there is very little one can say that has not already been said. However, since I am not a member of the veterans affairs committee, and since I have received many letters from veterans, not only recently but over a number of years, complaining of the inadequacy of the allowance, I wish to add my protest to those which have already been made. Also I would add my hopes, if they are worth anything, to those who have already expressed the hope that the minister will reconsider the measure either before or after it goes to the veterans affairs committee, and bring something forward more worthy of Canada than this bill.

I examined the bill for a considerable time before I could find where there was any amendment to the act. This is a bill to amend the War Veterans Allowance Act, 1946. I have in my hand a leaflet issued by the war veterans allowance board, giving information in regard to the 1946 act. I have also examined the 1946 act and I have found it difficult to discover what the amendments are. Undoubtedly there are some amendments. I did find one amendment, early in the bill. That is an amendment increasing the salaries of the members of the board from $6,500 to $7,000.

After that very good start by those who drafted the measure, I was hoping they would carry it on for those who are supposed to benefit from war veterans allowances, those for whom the War Veterans Allowance Act was enacted, and not just for those who were administering the act. Persons who are required to administer an act of this kind ought to be well paid because they have to do a dirty job. The act provides $365 a year for a single person.

An hon. MEMBER: A dollar a day.

Mr. MacINNIS: A dollar a day, and in a leap year it will be just one dollar less than a dollar a day. This is a leap year and I imagine these men will have to go hungry for the extra day. Is there a member of this house who believes that he could live decently on $365 a year?

Mr. PEARKES: Why use the word "decently"?

Mr. MacINNIS: I assume that "decently" is a proper word in this connection. I suggest that the hon. member for Nanaimo is having a decent living and I am having a decent living, but we are not—

Mr. PEARKES: I meant that you could not live on it at all.

Mr. MacINNIS: I appreciate what my hon. friend means, but we expect people to live

decently. I do not know how many single veterans are receiving this allowance, but they are supposed to live on $365 a year. The minister shakes his head, but I will read the relevant section. There could not have been much in the heads of those who drew up this act, whether they were shaking them or not. Section 4 reads:

> The maximum allowance payable in any year to an unmarried veteran or a veteran bereft by death of his or her spouse, without child or children, shall be three hundred and sixty-five dollars less the amount of any income of the recipient in excess of two hundred and fifty dollars per annum.

If he has not $250, if he has not anything beyond the $365 he will have only the $365 on which to live. The basis of the allowance should, in my opinion, be a living allowance in itself. If this great, rich country cannot provide a living allowance for the men who risked their lives for their country, then there is something very wrong with the members of this house and with the government of this country. What amazes me is the difficulty of improving the standard of living of persons with low incomes. If one has an income of $3,000, $4,000 or $5,000 it is not difficult to add another $1,000 every two or three years, but if a person is receiving less than $1,000 or less than $500 he must live on that because there is no hope in the world that he will get anything more.

I have jotted down some of the reasons why we should be more generous with war veterans than we are in this bill. The first thing that struck me is that we could afford to be. This is a rich country and at the present time the government is fairly flush with funds, if I may use that term. For that reason alone we should be more generous. If a man treated an animal the way we treat these people he would be brought up in the courts for cruelty to animals.

The second reason is that we are seeking recruits for the armed services. When a young lad finds his father or his grandfather subjected to this sort of treatment after having risked his life for his country, what hope is there that the young man will be eager to join some branch of the services? There is not the slightest hope in the world. The third reason is that there is a great ado at the present time about the danger of communism. Communism is not something that just happened for no reason whatsoever. Communism developed under the autocracy of czarist Russia. It did not develop in countries where freedom and justice existed.

An hon. MEMBER: It is a disease.

[Mr. MacInnis.]

Mr. MacINNIS: My hon. friend says it is a disease. Perhaps it is and perhaps it is contagious. When people are subjected to the conditions under which it developed in the first place they are more liable to catch the disease than those who are not subjected to the same conditions, the same as with any other disease. If there is one thing that creates divisions and sets people against each other it is inequality, the feeling on the part of some that they are being discriminated against, that they are not receiving their fair share after they have performed their fair share of the duties required of a citizen. I suggest to the minister and to the government that they pay heed to the pleas that have been made in the house this afternoon, and that when this bill comes back from the committee it will be a better bill than the one we have before us. There will not have to be a great many changes made to make it a better bill, but I hope the changes will be made.

There is another point I wish to make. I cannot imagine why the single person for whom the government makes the magnificent allowance of $365 a year should not be allowed to earn at least that much more by his own efforts. Why is it that he is not allowed to have additional income of more than $250? If he earned more than that who would be hurt? Who would be hurt if he earned $500? I suggest to the minister that the more the individual recipient of war veterans allowance is allowed to earn, the better it will be for the individual and the better for Canada. Nothing can be worse for the individual than the continual frustration of not being allowed to earn a living income by his own efforts, to be denied that right without being penalized for earning more than $250.

The hon. member for Macleod (Mr. Hansell) wanted to know the basis of these allowances. I wonder if someone would explain how it was that somebody—that somebody who convinced the minister and the cabinet—came to the conclusion that $365 is sufficient income for a man who had offered his life for his country and who is not now able to make a living for himself by his own efforts? Would somebody explain just how the conclusion that $365 was a sufficient income was arrived at?

Mr. GREGG: Mr. Speaker, I think that statement should be challenged for this reason. It is not stated in the bill and has not been stated in the house that $365 was a sufficient income for a veteran with no other source of income. Under this bill, in addition to other earnings he can receive at least $40 a month, which multiplied by twelve makes $480 a year.

Mr. MacINNIS: All right, suppose we make it $480. Who determined $480 as an income sufficient for a man to live on? Who on the government side of the house wants to live on $480 a year? That amount is just as bad as the other; it is simply adding insult to injury. I hope that when this bill goes to the veterans affairs committee they will throw out this means test if they do nothing else, and put the veteran in the position where, if he tries to do something for himself, he will not be penalized for so doing.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, since coming to parliament in 1940 I have taken no part in the discussion of veterans problems because they have been handled very well by the veteran members of our group and other veteran members of the house. Since 1945 the veterans of world war II have joined the veterans of world war I, and I feel, in justice to the people of my constituency who are affected by this legislation, I could not let it pass without expressing my protest.

In the first place I do not wish my remarks to be considered by the minister as personal at all. I am sure that every member of the house and the citizens of Canada are proud of his record in world war I and world war II. I know something personally, too, of the high esteem in which he was held in the University of New Brunswick before coming here. I am sorry for the minister that it is his misfortune to pilot legislation of this type through the Canadian parliament in the year 1948.

In the February issue of *The Legionary*, an article appears by the general secretary of the Canadian Legion which uses very moderate language:

> Our idea of a new rate for war veterans allowance would be $50 per month for the single person and $85 per month for a married couple.

In an editorial in the same issue *The Legionary* says, speaking of the government's proposals for increasing disability pensions and war veterans allowances:

> To many pensioners and to all war veterans allowance recipients the tremendous increase in actual living costs is nothing less than catastrophic.
>
> These aging men and women are not concerned with the jump in automobile prices, or the higher cost of nylon stockings or cosmetics. They were already leading a marginal existence before the price increases and were not able to afford luxuries then. What they are vitally and desperately concerned about now is the price of bread and milk and butter and meat, and of shoes and everyday clothes and other things that are needed to exist. About the only bright spot in the whole gloomy picture is the fact that rents have been allowed to remain stationary, or nearly so.
>
> These men, who offered their lives in the hour of Canada's greatest need, have earned a better deal than that which the government is proposing to give them.

The minister's officials have come to the conclusion that the cost of living warranted something being done. As the hon. member for Vancouver East (Mr. MacInnis) has mentioned, provision is made in the bill for board members, who receive a monthly cheque of $541.66, to get an increase of $41.67 because of the increase in the cost of living. They are to have extra take-home pay of $41.67 a month. It is very difficult for me to understand why a man getting $541.66 a month must have his salary increased to $583.33 because of the increase in the cost of living, while at the same time it is expected that single veterans getting $30.41 can get along with an extra $10 a month, or $40.41, and married veterans get along with $70.83, an increase of $10 over their present $60.83.

A little over a year ago I happened to be present at a public meeting in the city of Montreal when the Minister of National Defence (Mr. Claxton) was making one of his first public statements as minister of that department. He spoke of the contribution that Canada had made during the war and said that it had been our objective to see that no man who put on a uniform for his country would be any worse off for doing so and that no one who remained at home would be in any better position for having done so. He mentioned that the Minister of Finance (Mr. Abbott), who also represents a Montreal seat, was doing his part to see that those who remained at home would not be in any better position than if they had gone to war. He also mentioned the present minister's predecessor, who also was seeing to it that those who fought for Canada would not be in a worse financial position for having joined the force.

I think members in all parts of the house are agreed that veterans who have to get along on the provision we have had in effect of a maximum of $640 for a single person and $1,130 for a married person certainly does not put the veteran in a preferred position. I know a great many veterans who thirty years ago could not establish the fact that sleeping in the mud or being forced to go without sleep hour after hour impaired their physical health, but many of them are now in the evening of life. According to the minister's own figures, 16,711 veterans of world war I will be entitled to the full $10 a month, which means that they are to get by on $640 for a single person and $1,130 for a married person. That is the maximum, and many will get less.

If there were any question of Canada's not being able to afford to pay more the veterans would accept their lot without a great deal of complaint, but we are all proud of the magnificent performance of Canada during the war and there is no indication in the world, either in the field of construction, in the sale of automobiles, in travel or anything else, that Canada is now on the verge of bankruptcy. I looked up *Hansard* of February 11, 1944, to find out how we were prepared to spend money in those days. I find that the Department of National Defence was able to get $28,000,000 for capital expenditure on construction, purchase, repairs, and operating expenses of properties; $51,000,000 for repairs, operating expenses and rentals; $182,000,000 for ammunition and bombs; $104,000,000 for armament, including rifles, machine guns, mortars and guns of all descriptions; $274,000,000 for motor transport vehicles, trucks, tractors and trailers; $30,000,000 for the operating cost of mechanical transport. Now the minister comes to parliament and asks for only $14,000,000 odd for the twelve-month period to discharge our responsibility to veterans of world war I, and world war II. Mr. Speaker, that is just not good enough. I feel sure that if the minister and the members of the committee cannot bring back to parliament proposals making more generous provision for the veterans who risked their lives for Canada, a great number of Canadian people will lose faith in the ability of Canada to keep her commitments to those who risked their lives for her in time of trouble.

Hon. MILTON F. GREGG (Minister of Veterans Affairs): Mr. Speaker, I have listened to the debate with interest and noted carefully the criticisms and suggestions made. As I have listened this evening it has occurred to me, as it probably has to other members, that this 9th day of April, 1948, marks thirty-one years exactly since the first Canadian corps, which contained many of the men about whom we have been speaking during the last day or two, stormed Vimy Ridge and made a great name for itself. I am sure the survivors of that old corps will be glad to know of the generous feeling on the part of this house as reflected by the speeches that we have heard from all corners of the chamber both yesterday and today. Sandwiched in between the expressions of individual generosity there has been some criticism, but it has been a source of gratification to myself to note that those in the department, the board, who administer the work have not come in for any serious criticism in their administration of the act, whatever criticism may have been directed against the act itself. The work of those

administering the act has received due recognition. But that is only a small segment of the whole veterans program of Canada.

It has been stated by some that these amendments are not very important, while others have said that they are downright niggardly. All I wish to say in reply to such statements is that ever since 1930 in this house, and quite properly, the War Veterans Allowance Act has been held up as one of the finest pieces of veterans legislation in this or any other country for the purpose for which it was designed. I believe that is true, and I am sure hon. members believe it is true. If it is, then these amendments are very valuable for they improve that act for the veterans by approximately one-third.

The amendments are important because they increase the amount to the recipient. They are important, too, because the adjustments of the permissible income ceiling, and the other features related to it, give effect to those increases to the maximum degree.

There has been discussion of eligibility under this act, not touched upon by the amendments. I am not going into that tonight. There could be a long discussion as to where the cut-off line should be. There was at one time a school of thought from the old war that suggested that only those beyond the old artillery horse lines ought to be eligible for these benefits, because they were the only people who were really in a position to be preaged or to have serious after effects on account of active war experience and hardship.

That school of thought, I am glad to say, has not prevailed and for the old war the English channel was taken as the cut-off line. Arguments might be advanced if the Atlantic ocean were made a cut-off line; as the hon. member for Nanaimo (Mr. Pearkes) so admirably pointed out, there might be some discussion as between zeppelin bombing and Salisbury Plain, on the one hand, and the experiences, which the senior member for Halifax (Mr. Isnor) might relate, in the explosion that occurred in Halifax, which killed sailors and soldiers, and which were attributable to the war. There might also be added some of the hard, cold camps such as Valcartier in those days.

I expect that in future years there will be discussions as to whether the Atlantic is the proper cut-off line for the new veteran, but that can await future discussions.

The question has been raised: what is the basis of this war veterans allowance? Hon. members know as well as I do, perhaps better, the basis of the original allowances set up in the original act. Whatever that was, I will

not attempt to define it tonight. In setting up the increase in these amendments, I certainly feel, however, that it should not be done without some consideration being given to the whole Canadian population; in other words, to the relationship between this increase and social security legislation such as old age pensions.

In reply to a number of hon. members, the hon. member for Regina City (Mr. Probe), the hon. member for Vancouver East (Mr. MacInnis) and others, I may say that these amendments will make the benefits under the War Veterans Allowance Act greater than the combined federal and provincial benefits of old age pensions in any province in Canada.

Mr. NICHOLSON: Not in Saskatchewan.

Mr. KNOWLES: Nor in Alberta or British Columbia.

Mr. GREGG: I should like to go into that more fully in the committee, and I will let my statement stand until refuted at that time. I will, however, add this. The attempt has been made in working out these amendments to do precisely what I have said.

The statement has been made that the increases are subject to the approval of the board. Of course they have to be subject to the approval of the board, but that has carried with it the matter of the means test, and I am free to say that I am not very much more keen on that term "means test" than any other member of this house. Somehow it implies taking a person into a cold room and putting him through a close examination in respect of all factors entering into his life and living.

I can tell the house that in the administration of this act the members of the board and their staff look upon this part of their work under the act as an endeavour to help the veteran, a study of the difficulties which he has to meet through no fault of his own, and that attitude toward the work will continue.

There is one point I should like to emphasize. It has been suggested that the present recipients of the war veterans allowance must in all cases undergo a further investigation of their financial condition before this proposed increase can be paid to them. As somebody said, they must make application and by some method let it be known that they would like to get this increase and that they are qualified to get it.

That is not the case. The government has given special consideration to this matter. It was desired that this bill be so prepared as to enable the full increase to be paid immediately to all cases where existing records show the maximum allowance is now being paid and the recipient is not now in receipt of income up to the new permissible income created in this bill; and we now know who those veterans are.

The practical effect of this will be that the main body—not quite all; I will refer to that later—of present recipients, based upon the recent study of records at the head office of the board which has now been carried out, will be paid the full $10 increase retroactive to October 1, 1947, immediately after this bill is ratified by parliament and the remaining group will be dealt with equitably by the board with the utmost dispatch and understanding immediately thereafter.

That bears upon the remarks of the hon. member for Nanaimo. He referred to page 2788 of *Hansard* and the statement I made yesterday afternoon in which I referred to a third group. I did not attempt to divide them into groups, except to try to give some definition of the veterans who have been under study by the members of the board during the past few weeks. Groups 1 and 2, as already referred to, can be dealt with right away or automatically, if you like, now that the study of the file has been completed. In the third group referred to there will be some—I cannot say the exact number tonight—following that study, who will be able to receive the full increase. There will remain perhaps one-third of the whole number of recipients from whom some further information may have to be obtained.

Hon. members will know full well that each one of those 26,000 or 30,000 cases, as they are called here, are human beings made of flesh and blood, with individual and complex sets of circumstances that are happening today, tomorrow and the next day. I spoke of the attempts of the department, in conjunction with the placement service of the Department of Labour, to get these men placed in work, encouraged to work, assisted in finding their way back, if they possibly can, with this veterans assistance grant as a backlog underneath to help them. We will take a man now receiving the grant who, we believe—according to the last discussions we have had with him, and the assistance that has been given him—hopes to get into a permanent or semi-permanent job. If I were to say that on this date or whatever date this bill becomes ratified, he will get the increase, it would mean one of those things which no veteran likes, namely, the necessity of a government department asking for a refund in the future. So there is an attempt there in what I referred to yesterday as the third group, to tidy these things up ahead of time in order to make as few as possible subject to investigation when the bill is ratified.

During the debate there has been some discussion to the effect that some worthy veterans are reluctant to apply for war veterans allowance because they consider it a dole and feel that there is a stigma attached to it. I can assure the war veterans allowance recipients that nothing is farther from the minds of those who administer the act; I know that nothing is farther from the minds of the members of this house; and I believe that nothing is farther from the minds of the people of Canada. I want to make this quite clear. The War Veterans Allowance Act is, in my opinion, social legislation designed to help to meet the needs of some of the older veterans who have rendered valuable service to their country and who have been unable to gain full employment. I should like to repeat that the war veterans allowance is not in any sense a dole or a charitable payment. The spirit in which the act has been administered so far is the spirit in which these increased benefits contained in the amendments will be administered by the members of the board.

When this bill receives second reading, I shall have much pleasure in moving that it be referred to the committee on veterans affairs.

Motion agreed to, bill read the second time and referred to the committee on veterans affairs.

Mr. GREGG: On a point of privilege, Mr. Speaker, may I refer to a matter which I overlooked. The hon. member for Regina City (Mr. Probe) asked me to clarify page 2788 of yesterday's *Hansard,* "Orphans—all wars—53; $25,596". I should have explained it at the time. That means fifty-three families of orphans or, in other words, the orphans of fifty-three veterans.

HUMAN RIGHTS

FUNDAMENTAL FREEDOMS—OBLIGATIONS UNDER UNITED NATIONS CHARTER—APPOINTMENT OF JOINT COMMITTEE

Right Hon. J. L. ILSLEY (Minister of Justice, for the Prime Minister) moved:

That it is expedient to appoint a joint committee of both houses of parliament to consider the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all members of the united nations may best be implemented;

And, in particular, in the light of the provisions contained in the charter of the united nations, and the establishment by the economic and social council thereof of a commission on human rights, what is the legal and constitutional situation in Canada with respect to such rights, and what steps, if any, it would be advisable to take or to recommend for the purpose of preserving in Canada respect for the observance of human rights and fundamental freedoms;

And that Messrs. Beaudoin, Breithaupt, Cournoyer, Croll, Dechene, Diefenbaker, Fournier (Maisonneuve-Rosemont), Fulton, Hackett, Hansell, Harkness, Hazen, Herridge, Ilsley, LaCroix, Macdonnell (Muskoka-Ontario), Marier, Marquis, Michaud, Massey, Miller, Probe, Rinfret, Robinson (Simcoe East), Smith (York North), Stewart (Winnipeg North), Stuart (Charlotte), Whitman, Zaplitny be members of such committee, as far as the interests of this house are concerned.

That the committee shall have power to send for persons, papers and records and to report to the house from time to time.

That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and select, if the Senate deems advisable, some of its members to act on the said proposed joint committee.

He said: Mr. Speaker, I do not know whether it will be possible, in view of the lateness of the hour, for the house to give this measure sufficient consideration tonight to enable it to be passed. I would hope so. In any event, I shall content myself with a somewhat brief statement of the facts relative to the resolution. Apart from the names of the proposed members of the committee, the resolution is the same in terms as a resolution passed by the house last session. Pursuant to that resolution a joint committee of the Senate and the House of Commons was set up. That committee met on June 5, June 13, June 17, June 20, June 26, June 27, July 4 and July 11, a total of eight meetings. It made four reports to the Senate and the House of Commons. Those to the House of Commons were dated June 6, June 17, July 12 and July 14. The general public made no oral representation to the committee, though a number of letters and I think, petitions were received which are now in the committee records. However, the deputy minister of justice was heard in regard to the legal and constitutional position of Canada in so far as human rights are concerned. The chief of the first political division of the Department of External Affairs gave evidence concerning the obligations assumed by Canada as a member of the united nations; and the director of the division of human rights, department of social affairs, united nations, appeared and supplied information relative to the activities of the united nations in the matter of human rights.

I should like to direct the attention of hon. members to the terms of the resolution. It will not be necessary for me to read it again since you, Mr. Speaker, read it a few moments

ago; but the interpretation placed upon the resolution by the committee last year was that it naturally falls into two divisions, the first dealing with the obligations Canada assumed as a signatory of the charter of the united nations, and the second relating to the steps it may be desirable for this parliament to take, irrespective of its obligations as a signatory of the charter of the united nations, in respect of human rights and fundamental freedoms.

With regard to the first division of the resolution to which I have referred, I think I should bring the house up to date with respect to what has happened since the committee ceased its deliberations last year and made its report. The commission on human rights which functions under the economic and social council of the united nations had a somewhat important meeting in Geneva from December 2 to December 17 of last year. This was the second session of the commission on human rights; and it has submitted a report of its proceedings and conclusions. This report has now been submitted to member governments of the united nations by the secretary general, with the request that the observations, suggestions and proposals of the various member governments with respect to the draft bill reach the secretary general by the 3rd day of April, 1948.

Mr. DIEFENBAKER: May I ask when the government received that request?

Mr. ILSLEY: That was received in January; and this resolution was placed upon the order paper with the hope that there might be an opportunity for the house to consider the resolution and for the committee to give the government some advice as to the suggestions that might be made to the united nations before April 3. That was not found possible, so the Secretary of State for External Affairs (Mr. St. Laurent) wrote a letter to the secretary general of the united nations which I shall now read, with the consent of the right hon. gentleman. This letter is dated Ottawa, April 1, 1948, and reads:

Sir,

I have the honour to refer to your letter of January 9, 1948, in which was enclosed a report on the second session of the commission on human rights, and to inform you that the proposals contained in the draft international bill of human rights have been closely considered by officials of the government, and it is expected that they will be considered by a joint parliamentary committee on human rights. A discussion of this subject by parliament has not yet been possible, however, and the Canadian government would not wish to express views on a matter of such importance without having had the benefit of learning the opinion of parliament. This is especially true in view of the nature of the Canadian constitution, and the Canadian government, therefore, regrets that final comments on the declaration will not be available for April 3.

The Canadian government is anxious that ample opportunity be afforded to comment on the international bill of rights both at the meeting of the economic and social council in July and at the meeting of the general assembly in September.

It is the opinion of the Canadian government that the final drafting of an international bill of rights is a serious task involving the reconciliation of differing philosophies and judicial principles. It is therefore respectfully suggested that the final expression by the united nations of human rights and fundamental freedoms may well require much more time than is at present contemplated, and that postponement of approval of the draft bill from the 1948 to the 1949 session of the general assembly might be with advantage taken into consideration.

I have the honour to be, sir,

Your obedient servant,

Louis S. St. Laurent,
Secretary of State for External Affairs.

As I say, that letter was addressed to the secretary general of the united nations, Lake Success, New York.

I should like to say a few words with regard to the report of the commission on human rights, but perhaps I can shorten what I intended to say by referring hon. members to the *Canadian Bar Review* of March, 1948, where at page 548 they will find a short statement by Mr. John P. Humphrey, director of the division of human rights, united nations, setting out the present position, and a short description of the report. This report contains an account of the work of the commission, together with a draft international bill of human rights, presented in three annexes. It has been agreed that the term "International Bill of Rights" shall be understood to include (a) a draft international declaration on human rights; (b) a draft international covenant on human rights; and (c) the measures of implementation. It was on all three sections of the international bill of rights presented in the report as annexes A, B and C, that the comments of the member states were requested.

The draft declaration, when its final form has been settled, will be submitted by the economic and social council to the general assembly of the united nations for adoption, by a resolution of the general assembly as a statement of the human rights and the fundamental freedoms contemplated by the charter.

The authority for the resolution will be article 10 of the charter under which the general assembly may make recommendations to

the members of the united nations or to the security council, or to both, on any questions or matters within the scope of the charter. The declarations so adopted would therefore have the character of a recommendation and would not have absolute juridical force. That this is the accepted understanding of the juridical effect of the declaration is apparent from the report of the working group on implementation.

The declaration, while not a lawmaking document, would no doubt have a highly persuasive character; it could be appealed to as a political rather than as a legal argument by individuals considering that, in relation to themselves, there had been a violation of its provisions. It might also, in the course of time, be incorporated in whole or in part into the common law as a reflection of public policy. But whether or not the declaration would have this sort of effect upon the common law is speculative.

I have been talking about the declaration. As contrasted with the declaration, the covenant which is found in annex A is proposed as an international convention which will, upon ratification, become binding upon the states party thereto. The covenant in its present, or in other similar forms, will create binding international obligations which states will have to discharge by legislation, in so far as there is any inconsistency between the terms of the covenant and the state of its domestic law.

This being the case, it is apparent that the covenant should be scrutinized with the greatest possible care. The conclusion of international agreements is a prerogative matter which rests as a matter of law exclusively with the executive. There is, thus, no positive requirement of parliamentary approval or sanction before the ratification of a covenant such as the one now under consideration. However, it is well established constitutional practice that important international agreements imposing obligations on Canada or purporting to affect rights and interests within Canada are submitted, before ratification, for the approval of the houses of parliament by way of resolution.

The joint parliamentary committee, when set up, will of course be master of its own procedure. If the same scheme or organization is adopted this year as was set up last year, there will be a steering committee. But it would seem appropriate for the joint parliamentary committee in its division of its responsibilities to consider, first, annex A of the international bill of human rights; that is, the declaration. This part of the draft bill defines the principles upon which the international covenant, annex B, is expected to be based. It is suggested that these principles should be considered prior to an examination of the proposed international covenant.

It is suggested further—and more properly as I say, these suggestions should be made to the committee rather than to the House of Commons; but the House of Commons will want to know why they are setting up this committee, and something about what the committee is expected to do—that the committee might find it appropriate to examine only annex A, namely, the declaration, to begin with, rather than all three annexes of the proposed international bill of rights. At the next session of the general assembly it is possible that only the declaration will be considered for approval, while the covenant, annex B, may be referred for further consideration to the international law commission. In this event, the Canadian delegation to the next session of the general assembly would have to express approval or disapproval of a resolution embodying only the general principles outlined in the declaration, annex A. The covenant, annex B, would not be submitted in final form to the member states for some considerable time. For this reason, although comments on all three annexes were requested by the secretary general, it may be found advisable by the joint parliamentary committee to give its consideration first to the declaration only.

That will be, I assume, one and probably the first branch of the committee's duties. I may say that the question as to what steps nations should take with reference to this international bill of rights was considered in the British House of Commons. The debate is to be found in British *Hansard,* the issue of February 26, 1948, particularly at pages 2268 to 2276. This question as to whether nations should favour entering into a covenant creating international obligations, or whether they should be content with a declaration setting out principles alone, and having very much less binding effect, was given some consideration.

The Minister of State, Mr. McNeil, said this, bearing somewhat on the point about which I have been speaking:

> It is quite plain, as every hon. member who has spoken tonight has said, that it is not enough that we should have signatures to a treaty. There have been treaties in the past to which the signatories were nothing more than signatories. We must, in these most troublous times, also ensure that this treaty is enforceable and enforced.

And later he said:

We want definition, we want as wide and free an agreement as possible, and we want to be quite firm in ensuring that this is not just another pious resolution. I agree with the point about the peoples of eastern, and unfortunately, central Europe. We can, by disseminating the reports from the commission, by publication and by broadcasting the speeches, keep alive the idea; but let us be quite sure that we are unanimous that this is an enforceable covenant. That will be, I am sure, the wish of all sides of this house.

On that question I assume the committee would wish to make some recommendations. But, as I say, the declaration is the first matter to consider, rather than the covenant, which is much more definite and a much more difficult matter.

Mr. COLDWELL: The minister said there was a good summary of the draft bill. If it is not long would he read it, or have it placed on *Hansard.*

Mr. ILSLEY: It is fairly long.

Mr. COLDWELL: It would make the minister's statement more complete.

Mr. ILSLEY: I do not think I can hope to make my statement complete in that sense. I think I shall have to take some steps to see that this is circulated among members of the house.

Mr. COLDWELL: Is it too long to go on *Hansard?*

Mr. ILSLEY: The draft declaration?

Mr. COLDWELL: I mean Professor Humphrey's summary.

Mr. ILSLEY: As a matter of fact there is not much more in Professor Humphrey's summary than I have told the house. There is much more in this declaration and in this covenant, but they are too long to put on *Hansard.* However they will have to be communicated to members of the house in some way so that they may have an opportunity to see what they are.

If I may I shall come to what was regarded last year as the second division or another division of the duties of this committee, although I must say that the duties of which I am now going to speak are closely allied with the duties I have been discussing. The committee was asked to consider and make recommendations as to what steps, if any, we should take in this country, apart altogether from our obligations as signatories to the united nations.

In that connection the committee decided last year that the attorneys general of the provinces and the deans of the law schools should be communicated with and invited to submit their views as to whether the dominion parliament has the power to enact a comprehensive bill of rights applicable to all of Canada, and that such written views be forwarded to the Minister of Justice. I think it would be appropriate at this moment if I were to state the results of that inquiry.

There is no record of a reply from Alberta. A reply was received from British Columbia stating that the attorney general of British Columbia is of opinion that most of the matters relating to human rights discussed by the committee appear to fall within provincial legislative jurisdiction and are for the most part dealt with and safeguarded by the common law, which is part of the law of British Columbia.

An acknowledgment only was received from Manitoba, and the same is true of New Brunswick. A reply was received from Nova Scotia saying that in the view of the attorney general, because of the distribution of subject matters of legislation between the dominion and the provinces as contained in the British North America Act, and because a bill of rights would affect both subject matters that belong to the dominion and subject matters that belong to the provinces, the parliament of Canada would not be competent to enact a comprehensive bill of rights applicable to all of Canada.

There was an acknowledgment only from Ontario. There was a reply from Prince Edward Island stating that the attorney general considers that it is doubtful whether such a statute could be drafted so as not to conflict with the provisions of the British North America Act. There is no record of a reply from Quebec.

A reply was received from Saskatchewan. The attorney general of Saskatchewan considers that it would be presumptuous for him as attorney general to attempt to advise the committee on matters of law. He forwards a copy of the Saskatchewan bill of rights passed in 1947. In his opinion, the dominion can go much farther than the province did in the realm of criminal law in giving protection against arbitrary arrest or detention and in guaranteeing the right of habeas corpus and the right to assistance of counsel. He states that Saskatchewan is in favour of a federal bill of rights.

Mr. HAZEN: Did the minister mention Ontario?

Mr. ILSLEY: There was an acknowledgment from the secretary of the attorney general, but no opinion has been received.

Before I pass on to deal with the replies of the deans of the law schools, I think I can sum up the result of this correspondence in this way. No attorney general says affirmatively that he is of opinion that the dominion parliament has power to pass a comprehensive bill of rights applicable to all of Canada; certain attorneys general express a negative opinion and deny that power, and several show very little or no interest in the matter. The general course and tone of the correspondence, when taken with that of the deans of the law schools, make it fairly clear that if the dominion government does undertake to set limits to the activities of the provinces in dealing with civil rights of this kind, it is altogether probable that a considerable provincial rights controversy will be precipitated.

This is perhaps borne out by the replies from certain deans of law schools. A reply was received from Dalhousie University as well as from Laval University. There is no record of a reply from McGill University, Osgoode Hall law school, the University of Alberta and the University of British Columbia. An acknowledgment was received from the University of Manitoba. There is no record of a reply from the University of Montreal, the University of New Brunswick and the University of Saskatchewan. A reply was received from the University of Toronto.

I shall not undertake to summarize the opinions of these deans because they are contained in an exhibit before the committee, but generally speaking they are most unfavourable to an affirmative answer to the question as to whether this parliament has that power. It will be the duty of the committee to consider these replies and decide whether they want to press for further replies, whether they should hear representations from the general public and from the number of organizations which have requested to be heard, as to what is legally possible and what is desirable in regard to this matter.

That is the present status of this matter. Briefly it can be said that we set up this committee last year but were not able to get very far on account of the pressure of work. We gave an undertaking to reappoint the committee this year, and the work which the committee can usefully do has been outlined in the few remarks I have made tonight.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, first may I say that the Minister of Justice (Mr. Ilsley) has properly outlined the events that have taken place since the committee met. While he was generous enough to say he felt that this resolution could well be passed this evening, I am not as optimistic as he was. There is one thing that I have noticed. From the time that this matter was first mooted in this house, namely, the drafting of a bill of rights for Canada, and later on a request on the part of the united nations for assistance from Canada in the drafting of an international bill of rights, little support was received from the government of this country. That, sir, is very well supported by the fact that in January last the draft of the united nations organization, which believes that an international bill of rights is necessary if peace is to be preserved, was thought of so little importance by the government of this country that the matter has remained there secret until this evening, in spite of the fact that reference was made to that question on February 13, when I asked whether the government had received the draft and whether it would be submitted to the committee. Yet all the time the government knew that the nations of the world, meeting as they have been to draft an international bill of rights, were expecting an answer by the 3rd of April. That indicates, more clearly than words, how disinterested the government of this country is either in a national or in an international bill of rights.

I have very little time this evening before the adjournment of the house, but I am going to face one situation which the minister reiterated tonight, as he so frequently did in the committee, namely, the danger, because of the constitutional position of our country, of Canada passing a bill of rights.

Here we are a sovereign nation among the nations of the world and promising as a signatory of the united nations to uphold fundamental freedoms as one of the principal prerequisites for the success of the united nations; yet the minister's attitude tonight raises a doubt whether Canada even internationally can do that which all the nations of the united nations undertook to do when the charter was accepted.

We were circumvented last year in the committee by the constitutional issue being raised on every possible occasion; and the minister tonight reiterated the summation of the answers given by the attorneys general of the provinces and by the deans of the law schools, apparently believing that those answers, coupled with the evidence given before the committee, would once and for all end in this country the crusade for a national bill of rights and would determine as well Canada's position as being unable to discharge her international responsibilities.

The committee, if it is to meet as it did last year, will merely be shadow-boxing, going

through motions, postponing and procrastinating, with the government forever hiding behind the constitutional position.

The Supreme Court Act makes provision for determining this question once and for all. Time is going to deny me the opportunity to read section 55 of the Supreme Court Act, but I am going to sum it up in this way. When important questions of law or fact arise, touching the interpretation of the British North America Act, the constitutionality or interpretation of any dominion or provincial legislation, or concerning the powers of the parliament of Canada or of the legislatures of the provinces or of the respective governments thereof, whether or not the particular power in question has been or is proposed to be exercised they may be referred by the governor in council to the supreme court for hearing and consideration.

Then it says that the determination on that question of reference, although advisory only, shall, for the purposes of appeal by His Majesty in council, be treated as a final judgment of the said court between the parties.

Let us get away from this sham battle. Let us ascertain once and for all whether or not we have the power to discharge, first, our responsibility as a nation in the united nations, and, second, if a bill of rights is necessary for Canada, of which I suggest recent abrogations of civil rights in Canada indicate the necessity. Let us determine the question once and for all. For that reason I intend to move, seconded by Mr. Casselman, the following amendment to the resolution:

That the following words be added at the end of paragraph 2 of the resolution:

"that in order to assist the committee in its deliberations the government do immediately submit to the Supreme Court of Canada such questions as are necessary to determine to what extent the preservation of the fundamental freedoms of religion, speech, press, assembly and the maintenance of constitutional safeguards of the individual are matters of federal jurisdiction.

That, Mr. Speaker, once and for all will determine this question, so that no longer will anyone be able to hide behind the concept that under our confederation Canada cannot maintain the fundamental freedoms of Canadians within Canada. I now move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. COLDWELL: What is the business for Monday?

Mr. ST. LAURENT: We shall have the pleasure of listening to the continuation of the argument of the hon. member for Lake Centre (Mr. Diefenbaker) on this motion to set up the committee and the amendment he has moved, and, after that has been disposed of, we shall deal with the matters that were indicated for today's business but which were not reached today. In addition, if there is time, we shall take the second reading of Bill No. 197, to amend the Export Credits Insurance Act.

Mr. COLDWELL: The amendment to the motion for supply will not come up on Monday?

Mr. ST. LAURENT: No.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, April 12, 1948

The house met at three o'clock.

STANDING ORDERS

First report of standing committee on standing orders.—Mr. Sinnott.

LABOUR CONDITIONS

DEEPSEA SHIPOWNERS AND DECK, ENGINEERING AND WIRELESS OPERATORS—TERMINATION OF EAST COAST STRIKE

Hon. HUMPHREY MITCHELL (Minister of Labour): I thought, Mr. Speaker, the house would like to know that in so far as the east coast is concerned, the strike of officer personnel of deepsea ships is over.

Over the week end there were negotiations between the parties concerned in which officials of the Department of Labour took part. These negotiations resulted in ironing out the main difficulties and all ships will be sailing from eastern ports today or tomorrow. There are one or two minor matters to be settled but it is expected they will be taken care of satisfactorily.

With regard to the Pacific coast, negotiations are continuing and I am hopeful that by tomorrow the strike, as far as that area also is concerned, will be ended.

The settlement with regard to wages and working conditions is on the basis of the recommendations of Mr. Justice D. A. McNiven, who was the conciliation commissioner, with the provision that the unions and the companies agree that there will be no discrimination in employment or prosecution by the companies against their officers who have been on strike or by the unions against officers who have sailed or been on articles on any ships during the dispute.

CANADIAN NATIONAL RAILWAYS

TABLING OF ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 1947

Hon. LIONEL CHEVRIER (Minister of Transport): I desire to lay on the table, Mr. Speaker, the following reports in English and in French: annual report of the Canadian National Railway System for the year ended December 31, 1947; annual report of the Canadian National (West Indies) Steamships Limited for the year ended December 31, 1947; annual report of the Canadian National Railways Securities Trust for the year ended December 31, 1947. Copies of these reports are being distributed to hon. members this afternoon.

The auditor's report to parliament has been delayed in printing, but I hope to be able to table it shortly.

VETERANS AFFAIRS

CHANGE IN PERSONNEL OF SPECIAL COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the name of Mr. Winkler be substituted for that of Mr. Tucker on the special committee on veterans affairs.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

IRRIGATION IN ALBERTA

Mr. HANSELL:

1. Have any irrigation surveys been made in the Lomond-Retlaw-Enchant districts in Alberta? If so, what areas do these surveys cover?

2. Do any contracts or agreements exist between the dominion government and any person or persons respecting any irrigation project in these districts?

3. Have any plans been made for work to start on any irrigation project in these districts within the next year or so? If so, what are the details of these plans?

Mr. GARDINER:

1. Not by dominion government.

2. No.

3. Yes; plans have been made subject to the execution of an agreement between the dominion of Canada, the province of Alberta and the Canada Land and Irrigation Company.

The plans involve the details, improvement and extension of existing canals and appurtenant works.

CENTRAL MECHANICAL DEPOT BUILDING, LONDON, ONT.

Mr. MANROSS:

1. What was the total cost to the government of C.M.D. buildings on Highbury avenue in London, Ontario?

2. Are they for sale to industry?

3. What is the annual maintenance cost?

4. How many employees were there in the buildings in each year 1944, 1945, 1946 and 1947?

5. What was annual payroll in each of these years?

Mr. CLAXTON:

1. $1,381,000.

2. No.

3. Average annual maintenance cost:

Light	$ 4,165
Heat	6,956
Civilian maintenance, personnel	1,544
Repairs and upkeep	15,000
Total	$ 27,665

4.

Year	Military	Civilian	Total
1944	723	26	749
1945	534	194	728
1946	438	571	1,009
1947	243	464	707

5.

Year	Military	Civilian	Total
1944	$779,538 60	$ 27,952 00	$ 807,490 60
1945	577,328 76	187,054 39	764,383 15
1946	474,099 96	740,138 54	1,214,238 50
1947	264,401 01	683,655 12	948,056 13

TRANS-CANADA AIR LINES—WINNIPEG AND MONTREAL OFFICES

Mr. THATCHER:

1. Have any head office departments of Trans-Canada Airlines been recently transferred from Winnipeg to Montreal?

2. How many employees of the T.C.A. head office in Winnipeg, have been transferred to Montreal since January, 1947?

3. What plans, if any, have T.C.A. made to transfer any portion of their head office from Winnipeg to Montreal, in the future?

Mr. McILRAITH:

1. No.

2. Not applicable.

3. T.C.A.'s head office is, and has always been, in Montreal whereas the operating headquarters have been located in Winnipeg for the past several years.

CANADIAN NATIONAL RAILWAYS—ST. THOMAS SHOPS—REPAIR OF N.Y.C. ENGINES

Mr. COYLE:

1. Have the C.N.R. shops at St. Thomas been making any repairs on American New York Central engines of the J 1 type in the past year?

2. If so, are they still doing this work?

[Mr. Manross.]

3. If not, when was the work stopped and for what reason was it discontinued?

4. Has any demand come from the New York Central for continuance of this work?

Mr. CHEVRIER: I understand the hon. gentleman wishes to reword his question. If that is so perhaps he would agree to drop it and place another question on the order paper.

Mr. COYLE: It can be dropped and I will reword it.

Mr. SPEAKER: Dropped.

YUKON QUARTZ MINING ACT—SURVEYS BY DOMINION LAND SURVEYORS

Mr. COLDWELL:

1. Has the government notified the recorded owners of mineral claims that in accordance with section 78 of the Yukon Quartz Mining Act they must have surveys made at their own expense by duly qualified dominion land surveyors within one year?

2. If so, will the government reconsider the serious consequences to many small owners of mineral claims resulting from this action?

Mr. MacKINNON:

1. Yes; this is provided by the act.

2. The matter has already been considered. On January 7, 1948, the minister authorized the mining recorders to issue the notices contemplated by section 78 of the act. At the same time arrangements were made to have a dominion land surveyor undertake the necessary base line surveys at government expense, and the mining recorders were advised that this dominion land surveyor would survey claims for claim holders at the actual cost of the work done on each claim.

As it became evident from correspondence that the situation was not thoroughly understood, the following circular letter is being sent by the mining recorder to all those to whom notices have been given under section 78:

The correspondence which has been received as a result of the notices sent to claim holders under section 78 of the Yukon Quartz Mining Act has been reported to the department and I have been instructed to furnish further information to all those to whom these notices have been sent, supplementing the information already given.

The necessity of a survey of mineral claims has been a fundamental requirement of the Yukon Quartz Mining Act from the beginning. The two-post staking system which is in effect in the Yukon Territory contemplates that there will be an early survey so that the boundary of each claim may be defined. This requirement was not enforced during the time when it was impossible to obtain the services of a surveyor. The net result of this leniency has been that those who wish to proceed with the development of the mineral resources of the territory are unable to ascertain the limits of the properties that can be secured either by purchase or staking.

Now that the services of dominion land surveyors are available it has been considered appropriate to require claim holders to have their claims surveyed. There is no intention of taking arbitrary action. If it is impossible to have a survey made, either because the surveyor cannot get around to it, or for good and sufficient reason the claim owner while developing his property is unable to pay the expense of the survey, then the circumstances will be considered by the minister on the representations of the claim holder.

The department is willing to do its part by improving the maps and assigning government surveyors to run the base lines. In order to assist claim holders the department is assigning a surveyor to make surveys of mineral claims. The claim holders who take advantage of this offer will be asked to make a deposit to cover the cost of the actual out of pocket expenses incidental to the survey of their claims. These expenses will not include the salary of the surveyor. It has been estimated that these charges will not exceed $200 per claim. This deposit of $200 should be made to the mining recorder, and a refund will be made should the cost be less than this amount.

It will be the responsibility of each claim holder either to have the survey of his claim made or to make the required deposit with the mining recorder. Those who are unable to comply and who desire to establish a case for special consideration by reason of their bona fides as actual developers of the property they hold under entry should disclose the circumstances which in their opinion would justify the minister in not cancelling their claims.

LEASE OF BUILDING IN VICTORIA, B.C.

Mr. PEARKES:

1. Does the government lease a building known as 710 Fort street, Victoria, British Columbia?
2. If so, for what purpose?
3. Has it been advertised as a hotel?
4. How many tenants, lodgers or guests were there in this building on April 1, 1948?
5. How many of these are veterans?
6. What rentals, if any, are charged?
7. Has there been any increase in the rentals since January 30, 1948? If so, what increase was authorized?
8. Who are the managers of this property? Are they ex-servicemen?
9. Are they employed by the government? If so, under what department and at what salaries?

Mr. McILRAITH:

1. Yes.

2. This building is leased by the government for operation under the home conversion plan to provide accommodation for Victoria residents. Building contains twenty-four suites and thirty-six single rooms.

3. Yes.

4. On April 1, 1948, there were 107 persons in residence at 710 Fort street, Victoria.

5. Thirty-five of these are veterans.

6. Single rooms rent for $7.50 to $10.50 weekly including cleaning service, linen, towels, etc., while apartment rentals are between $13.50 to $22.50 weekly with the same services.

7. On March 1 single room and apartment rents at 710 Fort street were raised $1 per week to incoming tenants. No increase was made in the rents of tenants in possession at that time. In addition, there were some other adjustments in rentals for individual suites which were out of line with the rental structure for the rest of the project.

8. The property is managed by Central Mortgage and Housing Corporation on behalf of the government. Resident manageress is Mrs. W. E. Rayfuse, an employee of the Victoria office of Central Mortgage and Housing Corporation.

9. No.

EMIGRATION—YUGOSLAVS

Mr. McCUAIG:

1. How many people of Yugoslav origin have emigrated from Canada back to Yugoslavia since 1945 to date?
2. How many Canadian-born Yugoslavs emigrated from Canada to Yugoslavia during that period?
3. What was the total value of goods, vehicles and implements taken with these people back to Yugoslavia?

Mr. MacKINNON:

1. Information not available.

2. Answered by No. 1.

3. Answered by No. 1.

VETERANS AFFAIRS—OPTOMETRISTS

Mr. LENNARD:

1. Was authority issued by the Department of Veterans Affairs for the employment of optometrists on the staffs of D.V.A. hospitals and institutions? If so, when?
2. Have any optometrists been so employed?
3. If so, where?
4. If not, why were they not appointed?

Mr. GREGG:

1. Authority was issued for employment on a casual fee basis, but not for appointment to positions within the public service. April 22, 1947.

2. No.

3. Answered by No. 2.

4. No need for services has arisen.

PUBLIC WORKS—FLAGS

Mr. LENNARD:

1. How many flags were purchased by the Department of Public Works during the twelve months ending March 31, 1948?
2. What percentage of these were union jacks?

Mr. FOURNIER (Hull):

1. 1,857.

2. 10·77 per cent.

PENSIONS AND ALLOWANCES TO VETERANS OF TWO WORLD WARS

Mr. CAOUETTE:

1. Are the veterans of world war I receiving the same benefits and consideration as the veterans of world war II?
2. If not, for what reasons?

Mr. GREGG:

1. Yes, except where the terms of the legislation applicable to them differs.

2. A difference in terms of legislation.

POSTAL SERVICE IN ANTICOSTI ISLAND

Mr. DORION:

1. Since what year has there been a service for the conveyance of mails to and from Port Menier, Anticosti island?
2. In what manner was such service operated up to 1947?
3. What was the cost of the conveyance of mails from the mainland, on the north shore, to the Port Menier post office, on Anticosti island, prior to 1947?
4. Has any change occurred in such service during the last few months? If so (a) by whom is the said service performed; (b) what is the cost of such service at present?

Mr. BERTRAND (Laurier):

1. Departmental records indicate service in effect prior to 1906 but details are not available.

2. By boat and air.

3. Fiscal year 1946-47:

By boat (summer season)	$ 750 00
By air (winter season)	2,741 50
	$3,491 50

4. Yes. As from the 10th February, 1948, Anticosti island has been served from Gaspe, P.Q.

(a) Anticosti Shipping Company.

(b) $3,000 per annum.

FOOD AND DRUGS ACT

Mr. CRUICKSHANK:

What protection is offered the public by the Food and Drugs Act against filth and extraneous matter in foods?

Mr. MARTIN:

Section 4 paragraph (d) of the act states that a food shall be deemed to be adulterated within the meaning of the act "if it consists in whole or in part of any filthy, putrid, disgusting, rotten, decomposed or diseased animal or vegetable substance, whether manufactured or not, or if it is otherwise unfit for food".

Foods are examined in the department's food and drug laboratories for the defects noted in this paragraph of the act. If found defective they are refused entry into Canada or, if already on the domestic market, they are not permitted to be sold for human consumption.

[Mr. Fournier (Hull).]

INCOME TAX—CORPORATIONS—FUNDS IN LIQUIDATION

Mr. FULTON:

What is the total amount of the funds of corporations in voluntary or compulsory liquidation, the distribution of which has been frozen pending the issuance of releases to the liquidator by the income tax branch?

Mr. WINTERS: In the case of corporations in voluntary or compulsory liquidation, clearance certificates are issued to the corporation or trustees concerned upon payment of any outstanding tax liability but no statistical record is maintained by the taxation division as to the total amount of distributable surpluses in such cases.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE—VACANCIES, COMPETITIONS AND APPOINTMENTS, 1947, 1948

Mr. VIAU:

1. How many vacancies occurred in the various departments of the dominion government (a) during 1947; (b) since 1st January, 1948?
2. How many competitions were advertised by the civil service commission for appointment to vacancies occurring in the various departments of the dominion government (a) during 1947; (b) since 1st January, 1948?
3. How many applications were received for each competition (a) during 1947; (b) since 1st January, 1948?
4. How many candidates were declared successful in each competition (a) during 1947; (b) since 1st January, 1948?
5. How many of the successful candidates were appointed to vacancies which occurred (a) during 1947; (b) since 1st January, 1948?
6. How many of the successful candidates receiving appointment were already in the employ of the dominion government (a) during 1947; (b) since 1st January, 1948?
7. How many of the candidates appointed (a) served overseas; (b) in Canada only; (c) were civilians; (d) were bilingual?

PUBLIC BUILDINGS—MACLEOD CONSTITUENCY

Mr. HANSELL:

1. How many public buildings are owned by the government in the constituency of Macleod, and what is the value and location of each of these buildings?
2. Does the dominion government pay any taxes on the above-mentioned properties? If so, what amounts are paid in each case and to whom?

RESEARCH IN AGRICULTURE

Mr. RAYMOND (Beauharnois-Laprairie):

1. How many persons are in the employ of the Department of Agriculture in each province?

2. How many national research council employees, in each province, are performing research work in relation to agriculture?
3. What is the total amount of salaries paid to the said employees, for each province?
4. What is the amount of expenditure incurred for such research work, in addition to salaries?

FREIGHT RATES

INCREASE IN EXPRESS RATE ON EGGS FOR HATCHERIES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Is the Minister of Transport aware that the express rate on eggs for hatcheries from Yellow Grass, Milestone and Duval to Regina, nearby points, has been increased from 35 cents to 70 cents per crate of thirty dozen; and from Dafoe and Davidson to Regina, a slightly greater difference, from 35 cents to 75 cents a crate? Will the minister investigate the authority for the increases in these rates?

Hon. LIONEL CHEVRIER (Minister of Transport): I am not aware of the situation to which the hon. member refers, but I am glad he sent me this notice. I have asked the board to investigate and report to me upon the matter.

SUBVENTIONS ON NOVA SCOTIA COAL

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to direct a question to the Minister of Trade and Commerce, arising from the recent increase in freight rates. Is the government considering increasing the subventions paid on the movement of Nova Scotia coal to absorb the additional charges that will occur because of the freight rate increase?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): The subventions on coal are based on the amount necessary to equalize the price of Nova Scotia coal with the price of United States coal at certain points of delivery. That being so, the subventions will automatically be increased to take care of the additional freight rates.

VETERANS AFFAIRS

CLOSING OF CORNWALLIS VETERANS HOSPITAL, DIGBY, N.S.

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Is it the intention of the Department of Veterans Affairs to close the Cornwallis veterans hospital for tubercular patients, Digby, Nova Scotia, and transfer the patients to Camp Hill hospital, Halifax, or elsewhere? If so, why is such action being taken, and what is to be the date of closing Cornwallis hospital?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): The hon. member kindly sent me advance notice of this question. The department does intend to close the Cornwallis veterans hospital for tuberculosis patients at Digby, Nova Scotia, in the near future and transfer the patients from this hospital to Camp Hill, Halifax. The action is being taken for the following reasons:

1. To permit a closer liaison with the medical staff at Dalhousie Medical School and so assure a continuing high standard of adequate diagnostic treatment and service to the patients.

2. To conform to the established policy of abandoning service hospitals which were taken over temporarily to cope with the peak load as soon as suitable alternative accommodation is available in our permanent treatment centres.

3. Bed space is available at Camp Hill hospital and structural changes are well under way to adjust this accommodation and make it suitable for the care of patients suffering from tuberculosis.

4. The concentration of our treatment facilities in Halifax not only assures the availability of better medical care, but allows for improved treatment at a considerable reduction in over-all cost.

The exact date of closing has not been set but will be determined by the completion of the structural changes to which I have referred. The prospective date will be some time in the late summer or early fall.

WORK OF THE COMMITTEE FOLLOWING EASTER RECESS

On the orders of the day:

Mr. G. S. WHITE (Hastings-Peterborough): Mr. Speaker, I should like to ask a question of the Minister of Veterans Affairs. Is the work of the committee on veterans affairs for this session completed? If not, why has there been no meeting of the committee since the Easter recess?

Hon. MILTON F. GREGG (Minister of Veterans Affairs): After consultation I believe it was decided to hold the next meeting tomorrow.

PETROLEUM PRODUCTS

INQUIRY AS TO POSSIBILITY OF OIL AND GASOLINE RATIONING

On the orders of the day:

Mr. E. B. McKAY (Weyburn): I should like to direct a question to the Minister of Reconstruction and Supply, of which I have

sent him a copy. In view of the possibility that there may be gasoline rationing in Canada this year, as suggested in a news dispatch appearing in the Ottawa *Journal* of April 8, will the minister indicate what is Canada's position at present with regard to oil and gasoline supplies, and state whether or not rationing this year is contemplated?

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Well, Mr. Speaker, I suppose there is always the possibility that gasoline rationing will become necessary, but I know of no circumstance this year which makes it any more likely than last year or the year before. We are just approaching the season when stocks for the winter normally move into Canada. The government is taking every precaution to see that nothing interferes with the normal movement; and at the moment I do not anticipate the need for gasoline rationing next winter.

CORPS OF FIRE FIGHTERS

INCOME TAX—SUGGESTED DEFERMENT PENDING REPORT OF VETERANS AFFAIRS COMMITTEE

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): I should like to direct a question to the Minister of National Revenue. I did not have time to give him notice, since it arises from a telegram recently received. In view of the desire of many hon. members to have the Canadian corps of fire fighters brought within the scope of veterans legislation, will the minister consider holding in abeyance the payment of income tax by members of this corps on money earned in that service, until the special committee on veterans affairs has reported on the matter?

Hon. J. J. McCANN (Minister of National Revenue): Not having had notice of the question I can only say the matter will be considered and an answer made at a later date.

SOCIAL SECURITY

INQUIRY AS TO HOLDING OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to address a question to the Prime Minister based on reports appearing in the press last week. Is there to be held this year, and if so when, a new dominion-provincial conference on old age pensions and other social security matters?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I regret that I am unable to give my hon. friend an answer to that question. I cannot say whether or not there will be a conference.

Mr. KNOWLES: Is it under consideration?

Mr. MACKENZIE KING: Well, I suppose everything is under consideration.

Mr. GRAYDON: Better not spread yourself too thin.

EUROPEAN RECOVERY PROGRAM

INQUIRY AS TO EFFECT ON CANADA'S EXCHANGE SITUATION

On the orders of the day:

Mr. W. ROSS THATCHER (Moose Jaw): I should like to ask the Minister of Finance a question, notice of which I have sent him. Is the minister yet in a position to tell the house what effect the passing of the European recovery program by the United States will have on Canada's shortage of United States dollars? Will the additional U.S. dollars made available permit any early easing of the emergency regulations?

Hon. DOUGLAS ABBOTT (Minister of Finance): My hon. friend was good enough to give me notice of his question, and I can give him this answer.

The adoption of the European recovery program by the United States should enable Canada to continue to ship to Europe the large volume of exports which we have been sending there and which the European countries need for their recovery.

It is still too early to say what the effect of the program will be on Canada's dollar shortage. I do not expect it will permit any early easing of the emergency import restrictions. On the other hand, I wish to emphasize that if the European recovery program had not been adopted, the Canadian dollar difficulties would have been greatly intensified.

Many of the details of our relationships with the European recovery program are still under discussion. I hope to be able before long to give the house a complete statement on our position when a number of matters now under discussion have become clarified.

HUMAN RIGHTS

FUNDAMENTAL FREEDOMS—OBLIGATIONS UNDER UNITED NATIONS CHARTER—APPOINTMENT OF JOINT COMMITTEE

The house resumed, from Friday, April 9, consideration of the motion of Mr. Ilsley (for the Prime Minister) for the appointment of a joint committee of both houses of parliament

on human rights and fundamental freedoms, and the amendment thereto of Mr. Diefenbaker.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, before the adjournment on Friday evening I had moved an amendment with a view to having determined by the supreme court the question of the jurisdiction of the federal authority in the field of civil liberties. I hope, sir, the government will see fit to accept my suggestion, which I believe will go a long way toward determining once for all this important question, to which in 1935 the Prime Minister (Mr. Mackenzie King) himself made reference. Incidentally, just as a matter of interest, I have found in the course of reading that in 1832 the grandfather of the Prime Minister made a special trip to England for the purpose of placing before the imperial government the question of the preservation of civil liberties in Canada.

In his speech the Minister of Justice (Mr. Ilsley) referred to an article written by Doctor Humphrey, secretary of the committee on human rights. I should like to refer to another article written by the same gentleman on the subject of the international protection of human rights. It appears in the Annals of the American Academy of Political and Social Sciences for January, 1948. By way of indicating the importance of an international bill of rights in which through the united nations Canada could participate and to which she could contribute, I should like to quote briefly from that article. Doctor Humphrey says this:

> It is probably correct to say that there has been more public interest in the work of the commission on human rights and its various subsidiaries than in the activities of any other organ of the united nations, with the exception of the security council, although discussions in the human rights commission have seldom hit the headlines.

It goes on to indicate why the international committee has been of such importance. It states that one reason, of course, is the personality of its chairman, Mrs. Franklin Roosevelt, and that another is the realization on the part of the public of the important issues at stake. The article continues:

> Not only did the peoples of the world know that world war II had been fought for human rights; they knew that the denial of human rights by certain countries had been a contributing cause of the war.

Then he uses these words:

> It is significant and appropriate that this victory of the common man, this victory of private individuals, should be a victory in the age-long struggle for the definition and establishment of human rights and fundamental freedoms.

I would bring that to the attention of the minister who, when he spoke the other night, made it evident that the government of this country has displayed but little interest in this important matter. Indeed an examination of the records of the united nations committee shows that all other democratic countries have made recommendations to this committee. The United States made recommendations, and the United Kingdom made recommendations in great detail, setting forth the necessity for the preservation of fundamental freedoms, as well as the sanctions that should apply.

In view of the great interest, as Doctor Humphrey says, that is being shown throughout the world in fundamental freedoms, and the need for serious consideration of the subject in this country, I suggest that there be placed on *Hansard* the draft international declaration of human rights as well as the draft covenant. When the suggestion was made the other evening by the hon. member for Rosetown-Biggar (Mr. Coldwell) the minister said that this material was too long for inclusion in *Hansard*. Sir, this is a declaration and covenant about which the people of this country generally know very little. I think it should appear in *Hansard* and thus be made available to all.

Mr. ILSLEY: I suggest that *Votes and Proceedings* would be a better place for it than *Hansard*. I would have no objection to placing it there.

Mr. DIEFENBAKER: That would be suitable. It should be available to every member of the house.

There are some sections which have been accepted by the committee consisting of representatives of eighteen countries. Indeed practically the only objections to many of the clauses have been from countries which are communist or under the curtain of communism.

Let me refer to three or four pertinent international human rights which this declaration would protect, not only internationally but also in the various nations subscribing to them. I read these in the light of some of the abrogations of civil liberties which have taken place in Canada within the last few years. These particular declarations, sir, represent the consensus of many democratic nations throughout the world; no communist nation has yet given any indication as to its views, although they voted against its acceptance. Here are a few articles which are regarded as of sufficient importance internationally, designed to lay the foundation for the prevention of war:

Article 3 states:

> Everyone is entitled to all the rights and freedoms set forth in this declaration, without dis-

tinction of any kind, such as race (which includes colour), sex, language, religion, political or other opinion, property status or national or social origin.

And article 5:

No one shall be deprived of his personal liberty or kept in custody except in cases prescribed by law and after due process.

This is particularly significant:

Everyone placed under arrest or detention shall have the right to immediate judicial determination of the legality of any detention to which he may be subject, and to trial within a reasonable time, or to release.

This section means that nations will not permit the denial of habeas corpus.

Here is another section which is of interest in view of some of the things which have happened in Canada in the last few years, particularly since the war. I quote:

Subject to any general law not contrary to the purposes and principles of the united nations charter and adopted for specific reasons of security or in general interest there shall be liberty of movement and free choice of residence within the border of each state.

There is a further one, article 16:

Individual freedom of thought and conscience to hold and change beliefs is an absolute and sacred right.

Provision is made also for the drafting of an international covenant, and it provides:

Every state, party hereto, undertakes to ensure: (b) that such laws, respecting these human rights and fundamental freedoms, conform with the general principles of law recognized by civilized nations;

(c) that any person whose rights or freedoms are violated shall have an effective remedy, notwithstanding that the violation has been committed by persons acting in an official capacity.

Then:

No person shall be subjected to arbitrary arrest or detention.

How often I have said in this house that when the right to be represented by counsel is taken away, law returns to the middle ages. All these nations have agreed to this:

In the determination of any criminal charge against him or of any of his civil rights or obligations every person is entitled to a fair hearing before an independent and impartial tribunal and to the aid of a qualified representative of his own choice.

Then in regard to freedom of religion, every person shall have the right to freedom of religion, conscience and belief. The only limitations on that freedom shall be such limitations as are prescribed by law and are necessary to protect public order and welfare, morals and the rights of freedom of others.

In the event that one's fundamental freedoms have been interfered with, he should have the right of recourse. That is why I ask that there be an amendment to the Supreme Court of Canada Act to the end that anyone in any province in Canada whose fundamental freedoms are interfered with shall have the right of determination of his rights before the Supreme Court of Canada.

My right hon. friend referred to the constitutional division between the provinces and the dominion. I should like to refer to one case which is the only one which has been before the Supreme Court of Canada in reference to the question of fundamental freedoms. There are two points of view. Some say that the right of the provinces to abrogate and interfere with the fundamental freedoms is inherent in the British North America Act, although the preamble to that act states that our constitution shall be similar to that of the United Kingdom. Those who contend that these rights rest in the provinces aver that we in this country must be a balkanized Canada whereby an individual may enjoy certain fundamental rights in one province while in another they may be denied. It is that question of legislative jurisdiction that I am asking the government of this country to submit to the supreme court. If it is the law, then it denies to the individual that Canadian citizenship which should be the result of the measure introduced by the Prime Minister in 1944. To say that in one part of Canada a Canadian may enjoy freedom of religion and of speech and of association, all those great and abiding freedoms, and that in another province a Canadian may not enjoy them, is a denial of the possibility that we shall ever build a united Canada on the basis of equality of the individual before the law in all parts of the country.

A reference was made to the supreme court with respect to an Alberta statute of 1938, as reported in the Canadian Supreme Court Reports of that year. I should like to quote from the judgments of Chief Justice Duff and Mr. Justice Cannon, which indicate that while property and civil rights are a matter for the provinces, the preservation of abiding freedoms is a matter for the parliament of Canada. The judgment of Chief Justice Duff is to be found on page 133. It will be remembered that the Alberta legislature passed a law that denied the freedom of the press in that province.

Mr. BLACKMORE: That is absolutely false. I challenge the hon. member. The hon. member has no right to make remarks of that sort to this house without their being challenged.

Mr. DIEFENBAKER: There cannot be any controversy on that. I point out that the judgment is as follows:

> The right of public discussion is, of course, subject to legal restrictions; those based upon considerations of decency and public order, and others conceived for the protection of various private and public interests with which, for example, the laws of defamation and sedition are concerned.

And further down:

> We do not doubt that (in addition to the power of disallowance vested in the governor general) the parliament of Canada possesses authority to legislate for the protection of this right.

I would refer to page 134, where the chief justice points out that the freedom of the press, the right freely to express itself, is a right with which no province can interfere.

Mr. JAQUES: It does not exist anyway.

Mr. DIEFENBAKER: I am not in an argumentative mood today; I am simply placing this on the record and doing it as dispassionately as I can. I hope my hon. friend will permit me to continue. On pages 145 and 146 appears the judgment of Mr. Justice Cannon, which reads:

> Under the British system, which is ours, no political party can erect a prohibitory barrier to prevent the electors from getting information concerning the policy of the government. Freedom of discussion is essential to enlighten public opinion in a democratic state; it cannot be curtailed without affecting the right of the people to be informed through sources independent of the government concerning matters of public interest.

Then there are these significant words, which have never been departed from or derogated from since 1938, by the Supreme Court:

> No province has the power to reduce in that province the political rights of its citizens as compared with those enjoyed by the citizens of other provinces of Canada.

What that means is that no province may within the ambit of property and civil rights interfere with freedom of religion or freedom of speech or freedom of the press by provincial legislation which would deny the maintenance of those freedoms. I suggest that in view of this authority of the supreme court, something should be done by this parliament to grant to the individual the right of appeal to the supreme court when his fundamental freedoms have been interfered with in any way. That case came before the supreme court, not as a result of an appeal by an individual, but on a submission by the governor in council.

The position regarding civil liberty is this. If any province can by the exercise, or by the subterfuge of the exercise, of its licensing authority under municipal law, interfere with fundamental freedoms, and there is no recourse to the courts, the individual so interfered with, however great his freedoms may appear to be, in fact does not possess those freedoms. If being a Canadian implies the possession of fundamental and traditional freedoms, no citizen of this country should be denied the opportunity of asserting his freedoms in the courts.

With those who say that the dominion parliament has no power to pass a bill of rights I do not agree; but let us accept that for a moment. The first thing, then, that the parliament should do is to equalize the rights of Canadians everywhere in Canada, so that they can go to the foot of the throne, to the Supreme Court of Canada, and, if they will, to the privy council, when their rights have been abrogated.

If a municipal authority has the right by licensing, by imposing a licence fee, to deny the privilege of practising one's religion it then can do indirectly what it cannot do directly. I suggest to the Prime Minister as the culminating act of his career that he give to Canadians everywhere the assurance of full rights of equality in Canadian citizenship which was placed on the statute book by his government, by amending the Supreme Court Act to give the individual the right to the preservation and maintenance of his freedoms against provincial intrusion wherever it occurs.

Mr. POULIOT: What intrusion?

Mr. DIEFENBAKER: There is any imaginable number.

Mr. POULIOT: If the hon. member would specifically mention one, it would be more illuminating.

Mr. DIEFENBAKER: I will point out what happened in the United States, where the preservation of the right of freedoms was maintained by the supreme court of that country. in Murdock vs. Pennsylvania, 319 United States Reports, 103—

Mr. POULIOT: But we have not been annexed yet.

Mr. DIEFENBAKER: What my hon. friend says is true, although there are many who say we are a satellite. But I am not dealing with that phase this afternoon. I am dealing with interference with the individual's rights and with the necessity of an amendment to the Supreme Court Act to prevent in any provincial authority or any emanation of a provincial authority the exercise of the right to

do by indirect means what cannot be done directly. In that case Mr. Justice Murphy of the United States supreme court used these words:

> It is wise to remember that the taxing and licensing power is a dangerous and potent weapon which, in the hands of unscrupulous or bigoted men, could be used to suppress freedoms and destroy religion unless it is kept within appropriate bounds.

If being a Canadian anywhere in Canada implies equality and the possession of those traditional freedoms, then let us grant the individual the right to preserve his freedoms by having an appeal to the Supreme Court of Canada.

I pass on to the next phase, and it has to do with the international aspect of the matter. I cannot understand, sir, why it is that so little interest has been shown by the government of this country in submitting suggestions for an international bill of rights. Over a period of two years no such recommendations have emanated from Canada. The government knew in January last what were the terms of an international bill of rights. The united nations committee forwarded to the government the draft terms in detail, and it has remained under cover all through February, March and April. It could have been tabled in the house in order to permit of consideration and discussion, but like so many other matters connected with our foreign affairs it has had to remain the secret of the government until now. That committee met. We had no representative there from Canada. The secretary was a Canadian. The committee drafted this bill of rights in two documents, a declaration and a convention.

Mr. ILSLEY: How can my hon. friend say it was a secret in the bosom of the government when it was published to the whole world?

Mr. DIEFENBAKER: I was sent to the governments of the various countries, and sent to Canada, but if it was not a secret it has been kept under wraps and not tabled in parliament since January last.

Mr. ILSLEY: It has received publication here.

Mr. DIEFENBAKER: In a publication in the month of March, 1948.

Mr. ILSLEY: It was available long before then.

Mr. DIEFENBAKER: Available to whom and by whom? Not to parliament or in parliament. It is against this secrecy in connection with our foreign affairs in general that I protest.

[Mr. Diefenbaker.]

There is a convention and a declaration; a declaration that will merely be a statement of the pious idealism of the various countries, and a convention declaring a number of rights which the several states making up the united nations will be required to enforce. When it is ratified by a two-thirds majority it will be legally binding on each state when ratified by that state. My right hon. friend indicated that there is no rush. He admitted that this matter was supposed to be considered by the various nations within the united nations by April 3, 1948, and parliament did not get it until the 8th or 9th of April. It was to be considered by the various countries and suggestions were to be made by them. Now the Secretary of State for External Affairs (Mr. St. Laurent) suggests that we do not rush the matter, which was supposed to be dealt with next fall, but that we delay it again. Mrs. Roosevelt has written an article on the subject in the April 1948 issue of *Foreign Affairs,* wherein she emphasizes the necessity of action now, action before the united nations ceases to function, as it is ceasing to function in parts of the world. She indicates that the one hope for mankind is that they get together and arrive at a standard in connection with the maintenance of human rights, without which there cannot be peace.

The declaration will be merely a declaration of hope. The convention will be a declaration of civil liberties binding on the nations when accepted by them.

Mr. POULIOT: It binds no one. It binds only the hon. member for Lake Centre. That declaration binds no one else.

Mr. DIEFENBAKER: Apparently my hon. friend, usually so well informed, has not read this. He has not had an opportunity because it is just now to be tabled. Canada's parliament and Canada generally should know what is the attitude of the Canadian government with respect to an international bill of rights. We have never yet been able to find it out. The United States took so great an interest in this matter that its state department sent out letters to 350 private organizations in the United States asking for their opinions and suggestions. The state department has publicly stated its appreciation of the suggestions given as the result of the request of the government. Canada has a position on the security council of the united nations; Canada is on the atomic control board; Canada has seats here and there; but in a matter that every one of the united nations representatives in San Francisco indicated was upon the conscience of mankind and should be epito-

mized in the form of a declaration, Canada does nothing. All it did was to wait while the committee had sat for a period, off and on, and at the end of three months concluded its recommendations, terminated its sittings, and agreed to meet again on May 8 or 9 of this year after further recommendations on the draft had been secured by the several nations. It does indicate, sir, if not a fear on the part of the government to face this question, at least an apathy, which, according to Doctor Humphrey, whom the minister quoted as an authority on the subject, is not to be found among the other nations who are interested in the preservation of the united nations.

I ask the minister this: has parliament not the right to know whether Canada is to be bound by the convention? Has it taken up with the provinces the question as to the degree to which correlative and complementary legislation will be passed? If not, Canada will be in the position of being not in the vanguard but in the rearguard of the march on the part of the nations of the world to these better things conducive of international peace.

I come next to the question of freedom of the press. This is a subject which has been before the people of Canada in very recent days. The preservation above all things of that freedom is so fundamental that without its preservation, parliament cannot function or democracy operate in the interest of the people. Now that a decision has been arrived at, the minister should give early attention to what I suggested some weeks ago, namely, amending section 888 of the criminal code so that never again will publishers, writers or authors be subject to being taken from one end of Canada to the other at the whim or desire of any group.

All along the road mankind has had to fight for freedom of the press as for other freedoms. Freedom of the press was first established in 1771 in the John Wilkes case. In the diastole and systole of history, the freedom of the press, though diminished from time to time, has been maintained in the main. It is for that reason that one of the chief committees set up by the united nations committee on human rights was the committee on freedom of the press. That committee has just reported. Canada had representatives on the committee, which met in Geneva. Free discussion is fundamental for the preservation of the principles for which we stand. Experience shows that man will speak the things he will within the law, regardless of the punishment that may be levied against him for so doing. Preservation of our freedoms lies in the right of every man under law to express his point of view, limited only by sedition, blasphemy and libel. When I hear people talking about repression and denying a man the right to think the things he will under law, I am amazed. They believe that all you have to do to prevent the spread of false philosophies is to bring in laws that will deny the right to free speech. In doing so they deny the preservation of the thing that by repression they believe they are preserving. The only effective answer to the propagation of false philosophies is to assure to every citizen information on what are the abiding principles of freedom. They will recognize their superiority over those false doctrines, those godless doctrines, those doctrines that would destroy the relationship between a man and his God and the sacredness of his personality.

Mr. POULIOT: What false doctrines?

Mr. DIEFENBAKER: I speak now of the doctrine of communism.

Mr. POULIOT: Will you please enumerate?

Mr. DIEFENBAKER: I speak of the doctrine of communism; I hope I have my hon. friend's agreement. The freedom to destroy false doctrines is to have the right to speak against them. When I hear people say how they would control false doctrines I say that we need in this country those who will exercise the right to freedom of speech and show our people what freedom means, what are its abiding principles and its superiority over doctrines which result in the blackout of freedom and the maintenance of tyranny everywhere in the world.

Yesterday I came on a quotation from a speech which was delivered in the British House of Commons a hundred and fifty years ago. It is now repeated in the declaration on freedom of the press made a few days ago by the thirty nations meeting in Geneva. One hundred and fifty years ago Sheridan used these words:

> Give me but the liberty of the press and I will concede to the government a corrupt and servile House of Commons. I will give ministers the full swing of the patronage of office. I will give them a whole host of ministerial influence. I will give all the power that can be conferred to purchase submission and overawe resistance. And yet armed with the liberty of the press I will go forth to meet them undismayed. I will attack the mighty fabric government has reared with that mightier engine. I will shake down from its heights corruption and bury it beneath the ruins of the abuses it was meant to shelter.

What have we done in this nation with regard to that committee and the maintenance of the freedom of the press? Thirty-five nations were represented on the committee. Five of them voted against the preservation of

the freedom of the press. Those five consisted of the U.S.S.R. and its satellite nations, the Ukraine, Czechoslovakia, Poland and Yugoslavia. The thirty nations agreed that we must preserve these freedoms, and the greatest of these, to assure the penetration of the iron curtain, is the freedom to distribute news everywhere in the world without regard to country or opposition in any country. They said:

> Freedom of information carries the right to gather, transmit and disseminate news anywhere. Freedom of information depends for its validity on the availability and diversity of sources of news and opinion.

Then the committee set out the responsibilities and the duties of the press. It says this:

> The press has a moral obligation to seek the truth and report the facts, thereby contributing to a solution of the world's problems.

If the minister is to be the chairman of this committee I should like him to bring before it representatives who have attended on behalf of Canada at this press gathering in Geneva, to the end that we in this country will have presented to our people something of the appeal that was made to these men as to the necessity of preserving as a federal responsibility freedom of the press everywhere in this country.

There are some who contend that when you speak of freedom in the world today you speak of an anachronism. By freedom do you mean the absence of law? Do you imply that freedom is the absence of direction? Those things are not freedom. Some there are in our own country who fear freedom. Others there are who believe they should have the freedom to do the thing they desire to do, but that someone else should be denied that same right under the law. To me freedom means the recognition of my right as a person within the state to equality under the law; and my right to the maintenance of fundamental freedoms which are our heritage. That heritage can be preserved only when there are rules which require the other person, in my interests and in his, to keep within the rules. It implies that each must be restricted by the existence of equal rights for others.

Equality for all has not been characteristic of some of the actions of this government during the years since the war. I am trying to keep away from any suggestion of political considerations in this discussion. But I say—and I do so without fear of there being anyone who will seriously deny it—that within the last two or three years in our country there has been an unnecessary continuance of invasions of the fundamental freedoms belonging to our

people. In 1932 the Prime Minister himself summarized the danger. Speaking in this house, he warned the country of the dangers of arbitrary authority. These words I bring to his attention and to that of his government today:

> Arbitrary authority helps breed arbitrary authority. The enjoyment of a certain amount of absolute power creates the appetite for more power in the way of absolute power and finally absolutism knows no bounds.

This government was in power during the second world war. All of us were willing to surrender rights which were fundamental, in the greater interest of the survival and preservation of the state. But, with the conclusion of the war, in too many cases the government has continued to abrogate our rights, no doubt soothed by the fact that in the days of war we submitted willingly and voluntarily. When I observe the actions of some of the ministers in the cabinet I ask myself if these men are engaged in a competition among themselves for absolute power. Some show a greed for power. Some show that they are afflicted with the violence of unrestrained authority outside the law. I refer only to what happened recently when the imposition of taxes in our country was announced by radio speech. No one denied that it was an abrogation of the principles of Magna Carta. The minister could not do it. Following Magna Carta, because of the inclination on the part of some people to depart from its principles, a curse was placed on all who departed from them. According to the author I read, no king's minister, no cabinet minister, no adviser or person who departed from those principles would ever be able to remove himself from the curse that was pronounced, namely, that he would be driven out of power or restrained by the people. I shall read what that curse was. It condemned every official of the state sworn to uphold it, and—

> "All those that by word, deed or counsel—in any point, break or undo" its provisions or who "in any manner" procure, counsel or any way assent to resist or break them or "to go about it, by word or deed, openly or secretly, by any manner of pretence or colour."

Some people say: You have Magna Carta; what more do you want? The great principles of Magna Carta are abiding, permanent, eternal. What right has any individual in this country, if the federal government decides to do away with his right to appeal to the courts to have its principles preserved for him? In connection with the imposition of taxation outside of parliament, John Hampden in 1628 was approached by the representatives of the king who said, "Well, forget about it;

after all, it is just one departure. Pay it up." His answer was, "That I dare not do, for I fear to draw upon myself the curse in Magna Carta." What Hampden remembered in 1628 was apparently forgotten by the government of Canada in 1947. Why do we need a bill of rights in this country? I am not going to quote to you what the papers that do not support the government have to say; I refer you, Mr. Speaker, to what the Winnipeg *Free Press* said as late as February 26, 1948:

The remedy,—

It refers to invasions by this government of the rights of individuals that have continued since the war.

—in good part at least, lies with the dominion parliament and some action is being taken.

Then it points out the necessity for action.

No civil liberties legislation exists in Canada to protect the fundamental freedoms of Canadians. In the past it has been assumed that the liberal tradition and the vigilance of an alert electorate would suffice to protect them, but recent experience shows that this is only too obviously not so. Within a decade or a little more, serious inroads have been made upon the rights of Canadians.

That is in 1948, written in a paper which generally gives support to the government. It points out the necessity for a bill of rights which will assure not only the maintenance of fundamental freedoms but the right of the individual, under law, to recourse to the courts in order to have those rights preserved.

In England within the last few months an anomaly has been removed; the crown may now be sued in the courts of the land just as an individual may be sued in those courts. In this country the federal government is in business on a scale not exceeded by Great Britain. I am not going to enumerate the businesses it is in. No citizen has any right to recourse to the courts against the crown, except by leave of the crown. I suggest that the time has come to remove this anomaly from the law in our country. I go further and point out the unfairness which was exhibited by this government two years ago when a man in western Canada, Mr. Oatway, instituted an action against the wheat board for certain rights he contended were his. He got into the courts and went as far as the court of appeal of Manitoba; he had the right to take proceedings, but what did this government do? When he decided to appeal to the Supreme Court of Canada this government, which asserts that it believes in fundamental freedoms, had an order in council passed denying him the right to appeal to that court, and also denying him the right ever to have commenced the action he legally started. I say, sir, that is a serious matter. It indicates that some members of this government believe they and those under them are above the law. This is the sort of thing that parliament can and should correct. You may ask whether this is the situation only in Canada. It is not.

Mr. ILSLEY: Would not the hon. member consider that the tying up of the distribution of scores of millions of dollars to the farmers, which would have resulted if that matter had gone on, was something that should be considered?

Mr. DIEFENBAKER: Oh, sir, that is exactly the point I want to make. Whenever this government infringes upon fundamental freedoms it says, in effect, that you have the right but in the interests of the state we are denying you the right we state you have. That principle of *ex post facto* legislation is denied in the united nations draft. It is a most dangerous form of legislation, to come along after the event and by law deny the individual his right in court.

I want to read now what the Marquess of Reading said when he introduced the bill of rights in the British House of Lords in 1947. He pointed out these continuing invasions which are taking place, with government divesting itself of control by parliament, and infringing upon the rights of the individual beyond what is necessary for the preservation of the state. At page 763 of the House of Lords *Hansard* the Marquess of Reading dealt with this matter in these words.

Mr. POULIOT: What date, please?

Mr. DIEFENBAKER: It was in February of 1947. I have not the date here, but it appears at page 763 of the House of Lords debates:

Personal freedom had for so long been the current coin of life in this country that we had been apt perhaps to forget that currency may be slowly and stealthily withdrawn from circulation, that coinage may be debased without any very evident outward signs, and it may even be deliberately counterfeited without immediate detection.

It is not part of my case today to allege any malign conspiracy on the part of anyone deliberately to attempt to overthrow the liberties of the subject. The process has been gradual, stealthy, haphazard, almost inadvertent, but unfortunately both insidious and menacing in its cumulative effect. The pace and the magnitude of events have in recent years been filched and liberties purloined almost without the notice of parliament or the knowledge of the public.

The earlier parts of the bill he introduced—which incidentally passed the House of Lords—

—are, therefore, directed to the remedying of two evil tendencies; the growing usurpation by

the executive powers of parliament, and the increasing exclusion of the courts of law from what is perhaps their supreme function—protecting the individual citizens against the excessive and illegitimate encroachments and abuses of authority. These tendencies are, unhappily, no new feature of our life. They have now been nurtured upon the special conditions of emergency obtaining throughout two long, arduous and fluctuating wars.

What do I suggest should be done? My suggestion, sir, is that in view of the importance of civil liberties and their preservation, there be set up a standing committee of the House of Commons on civil rights. The recommendation has been made in the British parliament—and while it has not been accepted yet I understand it was very favourably received—that a committee be set up which meet continually and have for its responsibility the examination of all orders in council, statutes and the like that deny the individual the right of recourse to the courts. Such a clearing house committee would be of great benefit. It would reveal to the people as a whole the trend that is taking place, and would create a well informed social concern. That committee would be a vigilant upholder, through publicity, of the rights of the individual. Recently when the Prime Minister moved the appointment of the prices committee he said one of its great functions would be publicity. Surely if in economic matters publicity will cure evil, in the matter of one's freedoms it would also be an advantage if a committee such as this were set up; for, sir, as Mr. Justice Douglas of the United States supreme court said in a recent judgment:

> The extent of a community's respect of the human rights of all its citizens is in fact the measure of its progress in civilization.

This committee would correlate information regarding interferences with civil liberties as they take place. It would give publicity thereto. It would make Canadians everywhere cognizant and constantly aware of invasions of our basic liberties and of the inadequacy, in many cases, of our present laws in guarding those liberties. It would make Canadians freedom-conscious, for this committee would provide parliament with a watching brief over freedom regardless of what may be the distribution of powers under the British North America Act.

Mr. POULIOT: Was all that said by Mr. Justice Douglas?

Mr. DIEFENBAKER: No. I ended the quotation while you were talking to the minister.

[Mr. Diefenbaker.]

Mr. POULIOT: I asked him if the Douglas was the American.

Mr. DIEFENBAKER: I beg the hon. gentleman's pardon; anyway it was then I ended the quotation.

Mr. POULIOT: You did not tell us whether or not he was a Yankee.

Mr. DIEFENBAKER: I now quote in that connection from a speech delivered by Lord Chesterfield in the British parliament many years ago—

Mr. POULIOT: Quote Canadians; quote Tim Buck, the Witnesses of Jehovah and all the others.

Mr. DIEFENBAKER: I cannot understand my hon. friend's interruptions at all. Usually they are intelligent. Lord Chesterfield used these words:

> Let us consider that arbitrary power has seldom or never been introduced into any country at once. It must be introduced by slow degrees, and as it were step by step, lest the people should see its approach.

That is to like effect to what the Prime Minister said in 1932.

Next I suggest that we set up in the Department of Justice a civil liberties division to which every citizen in the land will be able to turn when his civil liberties are interfered with. A similar committee has been set up in the United States. It was established in 1939, and has been a reservoir into which people in all parts of the United States have poured their complaints when their rights have been interfered with.

I have already referred to the necessity for recourse to the courts. Let me say to the minister, now that the emergency following the war is officially over, that I should like to see something done about removing from the statutes of the country provisions which deny the individual his right to the courts. Consider for instance the act creating the foreign exchange control board. No matter how illegally, how unjustifiably, or how tyrannically a representative of that board may act, while the right to go to the courts is not denied, the right to recover damages is limited to nominal damages which is a dollar, with no costs. That, I say, is a dangerous interference with the rights of the individual. State rights have their place, but the rights of the individual should be paramount as against officials operating under state authority.

I do not wish to weary the house with further references to the necessity for a bill of rights. However one of the latest editorials on the

subject is to be found in the *Family Herald and Weekly Star* of March 10, 1948, in which it is stated:

> The dominion parliament, or rather, any majority in the dominion parliament, has far greater power over the individual citizen than has the United States congress. It is therefore reasonable that we should be particularly wary about granting unlimited powers to a cabinet, which, if it has a majority in parliament, can do anything—

And the word "anything" is in italics—

> —to any citizen, and can neither be called to account in the courts, nor blocked by any obstacle to its ambition, which it could not remove at will.

What have been some of the invasions lately? Well, sir, the first is the doctrine of emergency which is being used by this government to circumvent constitutional balances by overriding provincial rights.

Mr. ILSLEY: Oh, oh.

Mr. DIEFENBAKER: My right hon. friend laughs.

Mr. ILSLEY: My hon. friend is now getting himself on both sides of this provincial rights controversy.

Mr. DIEFENBAKER: No. I deny the right of the central authority to invade. So far as private rights and fundamental freedoms are concerned, let us find out once for all who has the power, by submitting the matter to the supreme court.

Hon. gentlemen opposite have carried the emergency doctrine to the point if at any time the cabinet says there is an emergency, they contend that the power vests in the federal authority to get around the constitution and interfere with provincial rights.

Secondly, there has been established the doctrine that our constitution can be amended by a simple address on the part of a majority in the House of Commons and the Senate, and without consultation with the provinces. This is a further indication of the centralizing influence that seems to control this government in its attitude to the constitution of our country.

The action of the government in refusing to reconvene the dominion provincial conference unless all the provinces are prepared to accept terms proposed by the federal government in advance is a denial of the spirit of confederation, which was based upon co-operation.

There should be a declaration that never again will statutes passed by parliament be amended by orders in council and made inoperative by the governor in council. I give an example: A couple of years ago the government, with its majority, forced through civil airways legislation by which no railway transportation company was permitted to operate civil airways after a certain date. I did not support the government in that; but it put the legislation through. That legislation became inconvenient to the government. What did the government do? They simply had an order in council passed so that that which parliament had declared for in a statute should be postponed in its operation.

Mr. KNOWLES: It was not even an order in council. It was just a minute of the cabinet.

Mr. DIEFENBAKER: The hon. member points out, and correctly, that it was not even an order in council. It was just a minute—a statement to the effect that the statute was no longer in operation.

The same condition prevails under the Patent Act.

Then there is the Foreign Exchange Control Act, to which I have already referred, and also the Income War Tax Act, denying a person the right of recourse to the courts, in certain particulars, and giving the minister powers that no minister should ask, much less receive, from parliament.

Mr. ILSLEY: May I ask a question?

Mr. DIEFENBAKER: The powers given under the Income War Tax Act were summarized recently in an issue of Toronto *Saturday Night*. Powers are given under the statute whereby the minister has the right to discriminate between individuals, and the decision is not subject to challenge in the courts.

Mr. ILSLEY: May I ask the hon. member a question?

Mr. DIEFENBAKER: Yes.

Mr. ILSLEY: Does the hon. member disapprove of the principle of workmen's compensation legislation in the provinces under which an employee cannot go to the courts?

Mr. DIEFENBAKER: That legislation has prevailed for a very considerable period of time in all the provinces. The reason for it is that most labour men take the view that if a matter were carried to the courts it would cost money. That was the argument.

Mr. MITCHELL: It was their experience.

Mr. DIEFENBAKER: They are willing to accept that in connection with workmen's compensation. I am referring to federal legislation in connection with income tax. I ask

this: Is there any citizen of this country who ever told the government that it was acceptable in practice to have legislation which denies a person the right to appeal to the courts against a minister's discretion so far as income tax is concerned?

Then, as to workmen's compensation legislation—

Mr. ILSLEY: I will answer that. My recollection is that the representations were that they wanted to go to other than the exchequer court. They wanted a board set up. That was the suggestion they made—that there be a board set up to which they could go, instead of to the courts.

Mr. DIEFENBAKER: My right hon. friend realizes that these points are worthy ones, and he is now trying to exculpate himself by saying that some representations were made in which a board was asked for.

Mr. ILSLEY: The hon. member asked the question. He asked whether the minister or the government would say that anybody did not complain. I answered the question; that is all.

Mr. DIEFENBAKER: In connection with workmen's compensation?

Mr. ILSLEY: No, in connection with income tax.

Mr. DIEFENBAKER: All right. If the minister says he had that complaint, then he has answered the question, and it is perfectly right that he should do so.

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: But I assert this, as Lord Reading said in Great Britain—and the British government has seen fit in large measure to remove the anomaly—that the denial of the right of the individual to have recourse to the courts denies that freedom and equity in law to which every citizen in our country is entitled.

Mr. ILSLEY: Is the hon. member now talking about fiats?

Mr. DIEFENBAKER: If the minister cannot understand it, then he will have to read it and ultimately ask his law officers to interpret it.

Mr. POULIOT: If you are for human rights, then admit the contradiction.

Mr. DIEFENBAKER: The denial of the right of counsel should be removed in every case and in every statute. It has not been denied in Britain since 1652. If a citizen is denied the right of access to the courts against the decision of a cabinet minister, the minister is placed in the position that he is able to usurp the rights of the individual and protect wrongdoers who are acting for the crown.

These are only a few matters which in my view deserve the attention of my right hon. friend as Minister of Justice. He, after all, is the conscience of justice of the Canadian people. He is the person in whose custody and subject to whose control reposes and rests the preservation of fundamental freedom. Civil rights and their preservation are the cornerstones of liberty. All history and our own experiences recently in Canada have shown that these rights are not safe in the hands of the executive when the individual has no right to challenge their legality in the courts.

Let us resolve once for all the doubts that are expressed as to who has the custody of the preservation of these rights. If they are in the dominion, let us in this parliament do our part toward their preservation. If they are in the provinces, then so far as an international and national bill of rights is concerned, if Canada is to take her place internationally and nationally the provinces will have to assume their responsibility in passing complementary legislation.

This is not a matter for partisanship. Freedom is an abiding thing. It is the heritage which we inherited. Freedom is your right and my right to equality under law. It is your right and my right to respect each other's rights under law.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, we have listened to an argument in favour of the adoption by this parliament of a comprehensive bill of rights. The amendment which has been moved requests that the legal and constitutional position of the dominion and the provinces shall be clarified. With the subject matter of the amendment I am in agreement. I want to say to my hon. friend that while I agree with much of what he has said, indeed with almost all of it, yet I rather think that he tends to overlook something. Recourse to the courts is not always as he suggests it is under various statutes of Canada. As a matter of fact some people are denied access to the courts because they cannot afford to pay the amounts that must necessarily be paid or that are involved in carrying actions right through to their ultimate conclusion. Until that disability has been removed, there is no equality in access to the courts; there is no equality before the law.

I think that is one of the reasons why the workmen's compensation acts are as they are today. The workmen knew that in fighting powerful and wealthy corporations for com-

pensation they would be at a distinct disadvantage under certain circumstances. Consequently these acts are drafted as they are.

This is an important committee. I had the privilege, along with the hon. member for Peel (Mr. Graydon), of attending the San Francisco conference and, jointly with him, being a member of the committee which dealt with certain clauses of the charter of the united nations which have a material bearing on this whole issue.

The committee is being established for the purpose of recommending what steps should be taken in Canada for preserving or extending respect for the observance of human rights and fundamental freedoms. I want to say that I make no apology for supporting the setting up of a committee of that description. I make no apology for supporting a move to give greater human rights and better fundamental freedoms.

The party with which I am associated in this house shares the long tradition of the workers' movements throughout the world for improved social and economic conditions, for greater freedom and more fundamental rights for humanity. My mind goes back this afternoon, particularly as I heard the hon. gentleman speaking, to the Chartist movement and to 1848, which is sometimes called in our history the year of European revolutions. I remember how that was followed by the long struggle for the right to vote, the long struggle for the universal franchise, the long struggle for the secret ballot and the periodic election of representatives to parliaments. Out of that struggle arose some of the great movements that have made for greater freedom; the trade unions, for example, the cooperative societies and other peoples' movements which we take for granted in the world in which we are living today. The very basis of the party which I represent here this afternoon, the very basis of democratic socialism is to be found in the legislation which has been adopted through the pressure of ordinary people in all the countries of the world. Those aims were written into the charter of the united nations, a copy of which I hold in my hand. Article 55 reads:

> With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the united nations shall promote:
>
> a. higher standards of living, full employment, and conditions of economic and social progress and development:
>
> b. solutions of international economic, social, health, and related problems; and international cultural and educational co-operation; and
>
> c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

When we signed the charter of the united nations we approved article 56, which reads:

> All members pledge themselves to take joint and separate action in co-operation with the organization for the achievement of the purposes set forth in article 55.

Partly because of article 56 we are taking the action we are taking here today, the setting up of a committee to see how in Canada we can bring about conditions that are more in conformity with the aims and obligations of the united nations. When the Prime Minister (Mr. Mackenzie King) and the Secretary of State for External Affairs (Mr. St. Laurent) in San Francisco in 1945 put their signatures to the charter of the united nations they obligated us not only to set up a committee but to take appropriate action when the committee reports to the house. True, of course, in these days there have been what I might call perversions of the meaning of both the words "democracy" and "socialism". Human rights and fundamental freedoms are being denied in the name of both to millions of people in some parts of the world. But this is not the first time in history that great words, great expressions, great phrases and great ideas have been perverted. Take the history of the Christian religion. Looking back over its long history, we recall how in the name of Christianity from time to time liberties were restricted, freedom of speech and of thought prohibited, and persecutions took place, with war, burnings at the stake and all the rest of it, not by one nation against another but by varying religions against other religions. But these events did not destroy the fundamental value of the Christian religion, nor can any perversion of democracy or of socialism today interfere with the basic rightness of those ideals and the basic struggle which they involve for human freedom and human good.

So I say that the party with which I am associated is proud to support every move for greater social and economic freedom. But I also say that until we have achieved economic freedom we have not completely achieved a democratic society. As a matter of fact today in this house we are apt to discuss only one side of this problem of freedom. What are the fundamental rights every human being should enjoy?

First I say that every human being, regardless of race, colour, creed, religion, sex, or ethnic origin should have the right to pursue his or her work, to earn a decent living, and

to enjoy the fruits of labour; also to have the opportunity for spiritual and cultural development in conditions of dignity and of freedom. Until we have guaranteed economic freedom, with all that it implies, we have not secured the conditions which provide either for good employment or for proper cultural and spiritual development. I say that this involves more than the elimination of the terrible menace of unemployment, that sense of insecurity which haunts many a worker from the cradle to the grave. It means the right to a voice in the management of industry, as well as the right to organize and bargain collectively, for how free is the individual until he has some say as to the conditions under which he labours in industry and gets his living? I want to express that thought in the words of a great Christian socialist, the late Archbishop of Canterbury, Doctor William Temple, who wrote in his little book, *Christianity and Social Order,* a paragraph which I remember reading at the time and which strikes a note in my memory today. He said:

> The great lack is the absence of any voice in the control or direction of the concern to which most of the waking hours of the day are given. Till this can be remedied there will be one most important respect in which the working class is shut out from a vitally important expression of personality. Men have fought and died for a voice in making the laws which they are to obey; that is the essence of political liberty. But the government of the firm for which he works affects a man's life more closely than the government of his state; yet in it he has no part except so far as he may threaten to hold up the process by withdrawing his labour and that of his fellow-workers in a strike. In many businesses nowadays the workers are often consulted, especially about regulations affecting hours and conditions of work. So far, so good; but this is done as a favour and not as a matter of secured right. The cause of freedom will not be established till political freedom is fulfilled in economic freedom.
>
> Moreover, until this is done, the breach in the fellowship—of which the class-war is the ultimate expression—must remain. It is important to remember that the class-war was not first proclaimed as a crusade by Marx and Engels, it was first announced as a fact by Adam Smith. Nothing can securely end it except the acquisition by labour of a share in the control of industry.

That, Mr. Speaker, is one of the fundamental rights, one of the fundamental freedoms, that is often overlooked in a debate of this kind. While I agree with the hon. member for Lake Centre (Mr. Diefenbaker) that we should write into our constitution a bill of rights safeguarding our political liberties we shall never have full freedom and full fundamental rights until the dignity of every man is recognized and until every man's right to a say in the conditions under which he works and lives has been established. These are some of the basic rights which in my opinion have yet to be achieved, basic rights which to a very large extent through being denied are responsible for the great wave of unrest that is passing across the world. I believe with the late Archbishop Temple that until we have given recognition to the dignity of the worker in relation to his own industry we shall never meet the threat of that class war which threatens us today. Indeed once you give that right, you banish the very reason for such a class war, because then the worker will be in a position to control his own destiny in common with others in the community.

Freedom of association and freedom of expression, as my hon. friend the member for Lake Centre so well said this afternoon, we have been in danger of losing through what I think were ill-advised actions of the government during the lifetime of this parliament. The government knows what I am now thinking of. It is not only that kind of action which jeopardizes our fundamental freedoms, but the kind of action that is sometimes encouraged by people who have not thought the matter through when they approve mob violence in any form. I regret sincerely that within the last few weeks we have seen violence against political leaders and a political party whose fundamental principles I cordially detest. Nonetheless, if we condone violence against parties we dislike the time may come when the very procedure that we have condoned may be used against all the rest of us. We cannot afford ever to pass over lightly any violation of those freedoms which we enjoy.

If I may use this as an illustration, Great Britain at the present time is probably the nation, certainly in the European continental orbit, with the least danger from either fascism or communism. I was over there twice during the war. I went to the Hyde Park corner where I saw the utmost freedom of speech. The hon. member for Melfort (Mr. Wright), the hon member for Cape Breton South (Mr. Gillis) and I went there one evening. There was a crowd of soldiers and sailors of various nationalities, British, American, Polish, and so on around there. We heard a speaker denouncing the war and calling upon the people to stop what he called the bloody slaughter. He was telling them how they would be fooled once more when the war was over. All the time a policeman was walking around seeing that there was no interference and no attempt at interference. I believe, Mr. Speaker, that the more freedom of speech we have, the less danger there will be of subversive elements destroying our democratic institutions. Therefore I say that these recent disturbances have been very dis-

quieting to those of us who believe in freedom. They are symptomatic of dangerous tendencies which, being allowed to grow, may have dire results. After all, if violence is used against those who believe in violence—because both the fascist and communist parties fundamentally believe that the only way to secure control of the state eventually is by the forcible overthrow of the state—we invite and justify their violence later on. We must see that we do not jeopardize our fundamental freedom in that regard.

Then sometimes we have ill-considered legislation. My hon. friend mentioned some this afternoon. Very recently we have had an ill-considered piece of legislation which has done more to play into the hands of subversive elements than anything that has happened in Canada for a long time. I refer to the recent legislation passed in Prince Edward Island dealing with labour unions, outlawing national unions and international unions, excepting only those that are connected with the railways. When you attempt to interfere with the right of labour to organize freely in associations of its own choice as Canadian citizens all across Canada in co-operation with their fellow Canadians you are inviting serious trouble, and you are placing in the hands of those who wish to point out that governments will destroy labour unions whenever the opportunity and necessity arises, an argument which, as long as legislation of that description remains on the statute books, you cannot meet. Therefore I say that we must beware lest legislation of that description is allowed to stand. Consequently I am glad that the committee on industrial relations has also been set up and that a national labour code will be considered.

I should like to see a code which gives every Canadian wherever he may live the right to organize and bargain collectively. It requires, as do some other matters with which my hon. friend dealt this afternoon, some complementary legislation, some understanding between the provinces and the dominion about their respective powers; but every effort should be made to see to it that every Canadian worker has full rights as a Canadian citizen.

We have seen the rights of minorities interfered with. Goodness knows I have no connection with or sympathy for the teachings of, for example, Jehovah's Witnesses. Particularly I have no sympathy for some of the propaganda and their statements; but I view with considerable misgivings attempts to crush out a religious minority and to prevent their discussing religious issues from their point of view. Surely the rest of us who do not believe in the kind of teachings which they present to the Canadian people have enough faith in our own religious bodies to be able to meet the criticisms that they level against the churches —and I use the plural because all our churches are criticized by Jehovah's Witnesses—to which we collectively or severally belong. Therefore I say that we have to beware lest we permit the persecution of minorities; because if we do we are false to the fundamentals of human freedom, of fundamental human rights, and we are false to the very charter which our representatives signed at San Francisco and which this parliament subsequently approved.

We have as well the blot on our statute books which we of this party tried to remove again this year, namely, the continuance of disabilities against a group of Canadians who are of a different race and different colour from our own. I refer to Canadians of Japanese origin. I might also say that we have not yet removed all the disabilities against another group, the Chinese residents of this country, who do not enjoy the same privileges as residents of other nationalities within this country. Until we have removed these blots on our escutcheon, we shall find it difficult to face the committee on human rights and fundamental freedoms of the united nations. In fact, when I was there in the autumn of 1946 and some of these matters were under discussion, to a minor extent, I know that all the members, irrespective of party, of the Canadian delegation felt very conscious of the manner in which we ourselves were situated when some of these topics came before the assembly or were mentioned by representatives of other nations.

I say that we have to beware lest we ourselves are guilty of that which we condemn. We should remove from our statute books and from our country all the disabilities which afflict individuals merely because they are of a different race, different colour or different religion. I know, too, that there are parts of Canada where people of different racial origin find it difficult to get hotel and other accommodation. That is a disgrace in Canada in 1948. The hon. member for Lake Centre mentioned freedom of the press. That is a precious heritage. No one who has read that wonderful tract by John Milton, the "Areopagitica", a plea for the liberty of the press, can fail to understand that his plea referred to one of the very bases of our fundamental freedoms. John Wilkes came along later, and after arrest and trial he established the right to criticize the crown's ministers, to report the debates of parliament and to say what he would about public questions. Freedom of the press? I say freedom from censorship of

books, of the press and of art, except only to the extent made necessary by the requirements of morality and of decency. There should be no other form of censorship except that we should see to it that decency and morality are protected. I remember an amusing incident which occurred a few years ago in the city in which I lived. A friend of mine sent to a secondhand book store in Britain to get some books. When they arrived, he received all the books except one. The book he did not receive was sent to Ottawa to see if it was a fit one for him to read. The book was "Socialism, Critical and Constructive", by James Ramsay MacDonald who at that time was Prime Minister of Britain.

Mr. GRAYDON: Those fellows read it too.

Mr. BENTLEY: What did Ottawa say?

Mr. COLDWELL: That it was a good book for him to read, and he received it. That was back in 1923 or 1924.

Mr. GRAYDON: That is the time of their conversion.

Mr. COLDWELL: I am afraid they are not yet converted.

Mr. GRAYDON: They have gone a long way.

Mr. COLDWELL: The hon. member for Peel is a distinguished citizen of a province in which his own party laid fairly wide foundations of public ownership which will be extremely useful later on when we come to extend public ownership in the form we advocate. I refer, of course, to the hydro electric system of Ontario.

It seems to me that we need to strengthen, as the hon. member for Lake Centre said this afternoon—and I think this was the best part of his address, as a matter of fact—the protection of the individual in our country after what we have seen in recent days, against arbitrary arrest, detention without due process of law, and search and seizure except by the process of law. When arrests are made, charges should be laid promptly. Never again, I hope, will any persons, no matter of what they may be accused, be whisked away somewhere, so that their friends and relatives do not know where they are, and be denied access to counsel. I do not believe that will happen again, because I believe the government finally felt that, while the circumstances may have been grave, such procedure could not be justified.

So when arrests are made, the charges should be laid promptly; the opportunity to plead should be given promptly as well as the opportunity to consult counsel regarding the charges which have been laid. I say again that I agree with the hon. member for Lake Centre when he says that violations of these principles by the present government may be dangerous precedents for a government in the future, unless we are prepared to write into the statutes of our country measures giving protection against such incidents recurring in the future.

I spoke of freedom of religion. Freedom of religion is a fundamental right of every individual, and I said that it should be restated over and over again whenever we have an opportunity to do so.

As I have already said, the rights of individuals should be uniform across Canada. I am proud of the fact that in my own province of Saskatchewan, under the first C.C.F. government to be elected there, a comprehensive bill of rights has been enacted. That is an example which I hope will be followed by other provinces and by this dominion. I am proud of that enactment. I think it is significant that the first government to be elected in Canada which advocated the principles of democratic socialism was the first government in Canada to place on the statute books a comprehensive bill of rights. I believe it shows more completely than all the words which can be spoken exactly where we stand with regard to human freedom.

Mr. GRANT: The next one was Prince Edward Island.

Mr. MacINNIS: Yes; your labour bill.

Mr. KNOWLES: The hon. member spoke out of turn there.

Mr. COLDWELL: So far as the interruption of the hon. gentleman is concerned, may I say that the hon. member sits in this house as a Liberal; it is true, Liberal with a capital "L." But when I look back on the history of liberalism with a small "l", and what has taken place in Prince Edward Island, may I tell him—

Mr. KNOWLES: It is a case of liberalism gone to "L".

Mr. COLDWELL: That is very good, but hardly appropriate for the record. The hon. member's liberalism has fallen from the high pedestal on which the old-fashioned nineteenth century Liberals once placed it. I say that it is not liberalism; it is the height of reactionaryism, and I hope that the people of Prince Edward Island will endeavour to remove that blot from the escutcheon of their province.

So I say I am proud of the fact that a socialist government in Saskatchewan enacted a

bill of rights to the extent that authority to do so was within its competence. From what was said in the debate at that time I know that that government would be prepared to discuss with the federal government the writing into our statutes of a bill of rights, even if it means granting to the federal authority certain legislative prerogatives which the province now enjoys under our constitution. Let me say that what one province does is not enough. All Canadians, wherever they live, should have the same fundamental rights and the same fundamental freedoms.

Before I sit down, Mr. Speaker, I want to say I believe that no Canadian delegation can go to the united nations and sit on committees dealing with this problem until we have ourselves done something to lay the foundations more securely for human rights and fundamental freedoms in our own country. When we have done that, we can then go there and criticize more effectively and conscientiously those countries which today are denying the elementary rights of human freedom. In the past few years we have seen many interferences with human rights. We have seen indignity after indignity, torture and death inflicted upon men and women of various races, creeds, colours or political opinions. I care not what may be the race or creed or colour or political opinion of a man or woman; he or she must be safeguarded in the exercise of those fundamental rights and human freedoms.

Mr. ILSLEY: I wish to raise a question of order, Mr. Speaker; I am not taking part in the debate. On Friday evening the hon. member for Lake Centre (Mr. Diefenbaker) moved an amendment to the resolution in the words which are to be found at page 2847 of *Hansard* for April 9. My submission is that the amendment is not in order, for two or three reasons.

In the first place it is in essence a separate motion rather than an amendment. The motion itself is to set up a committee, and it prescribes the terms of reference to that committee. If this amendment had sought to add to the duties or functions or purposes of the committee it would have been in order. Instead of that, it seeks to cast a duty upon the executive of the government of Canada, and therefore in essence is a separate motion and not an amendment.

Secondly, and I submit this ground with great confidence, the amendment would cast upon the Supreme Court of Canada the duty of doing what the committee is to be appointed to do. One of the duties of the committee is to consider what is the legal and constitutional situation in Canada with respect to such rights. The object of the amendment is to take that function away from the committee and place it instead with the Supreme Court of Canada. If that reference were made to the supreme court the matter would then become *sub judice* and the committee would be unable, during the time the matter was being considered by the supreme court, to consider what is the legal and constitutional situation in Canada with respect to such rights. The two objects cannot co-exist in the same resolution. Then the resolution would say the committee is to determine what is the legal and constitutional situation in Canada with respect to such rights, and the amendment would say that for a period at least, while it is assumed the committee will be sitting, the Supreme Court of Canada is to consider that very question.

I think there are other grounds as well but I shall not mention them. I just want to say that the two grounds I have raised are without prejudice to such other grounds as may exist; but I submit these two grounds, and certainly the second one, with confidence.

Mr. SPEAKER: Do any other hon. gentlemen wish to speak to the point of order?

Mr. DIEFENBAKER: My submission is that the amendment is really an enlargement of the motion and as such is in order. My right hon. friend said his strongest objection was the second one he raised, that it would cast upon the Supreme Court of Canada the duty of deciding what is legal and constitutional. As a matter of fact the motion now reads:

> . . . in the light of the provisions contained in the charter of the united nations, and the establishment by the economic and social council thereof of a commission on human rights, what is the legal and constitutional situation in Canada with respect to such rights . . .

The only way any committee can determine what is the legal and constitutional position in Canada is by a submission provided under the Supreme Court Act. No amount of discussion on the part of the committee can add to or subtract in the slightest from the legal and constitutional situation. Last year we found ourselves in the position that grave doubts concerning the matter were expressed by the deputy minister of justice. With a view to resolving those doubts, as Your Honour knows, the matter was submitted to the deans of law schools and the attorneys general of the several provinces. They merely expressed their opinions on the subject; and the only body that can determine what is the legal and constitutional

situation in Canada is the supreme court. Without that decision, any discussion by a committee would be merely technical discussion and would not be in any way final or definite. If the committee is to learn these legal and constitutional matters, the supreme court alone should determine them.

Mr. ILSLEY: Then should the committee not recommend that there be a reference to the Supreme Court of Canada?

Mr. DIEFENBAKER: Well, Mr. Speaker, my right hon. friend has changed his attitude slightly. A moment ago he advanced with certainty—

Mr. ILSLEY: Not at all.

Mr. DIEFENBAKER: Please; after all I did not interrupt the right hon. gentleman.

Mr. ILSLEY: But I have not changed my attitude.

Mr. DIEFENBAKER: I should like to know what it is but a change of attitude. Certainly that is my inference when a moment ago the right hon. gentleman said a submission to the supreme court would take away from this committee the right to determine the legal and constitutional position.

Mr. ILSLEY: That is correct.

Mr. DIEFENBAKER: Now he advances the argument that if the wording were slightly changed and the committee were given the right to ask for that power, then it would be proper. I submit that is exactly what he has done; he has altered his position.

Mr. KNOWLES: I should like to say a few words with respect to the point of order raised by the Minister of Justice (Mr. Ilsley). At the outset I wish to say I am in favour of the substance of the amendment moved by the hon. member for Lake Centre (Mr. Diefenbaker), and anything I say with respect to the point of order is aimed at getting what he seeks, in a proper way. It does seem to me that there is some validity to the two points raised by the Minister of Justice. First of all, the amendment moved by the hon. member for Lake Centre would add, to a motion setting up a committee, an instruction to the government. It seems to me that is something altogether different, and its propriety as an amendment would have to be studied. Then there is the other point raised by the minister, that if the amendment were carried and the motion as amended were adopted it would result in the same subject matter being referred to two bodies, the committee and the Supreme Court of Canada. In that event it seems to me that the course

indicated by the Minister of Justice might follow, namely, that, with the matter being before the Supreme Court of Canada, for a time at least it would be *sub judice* and therefore not capable of being discussed by the committee.

My reason for speaking is not to confuse the situation but to express the hope that if, after listening to the arguments on both sides, Your Honour should rule the amendment out of order, that will not necessarily be the end of the matter. It does seem to me that it would be possible to meet the objections raised by the Minister of Justice by some other member moving another amendment.

Mr. GRAYDON: You are getting ready for that now.

Mr. KNOWLES: I have it already prepared, but I am ready to let the hon. member for Peel (Mr. Graydon) have it so that he can move it.

Mr. GRAYDON: It is no surprise to me; but I will not move it, although I have not seen it.

Mr. KNOWLES: My suggestion is that the very same wording proposed by the hon. member for Lake Centre could be proposed as a third or fourth paragraph; but I have given away the only copy I have, so that I cannot read it.

Mr. GRAYDON: You may have it back.

Mr. KNOWLES: It could be added as a third or fourth paragraph—in that part of the motion which gives powers to the committee. One of the powers given to the committee could be the power to request a reference to the Supreme Court of Canada. It seems to me that not only would that be in order, inasmuch as it would be an extension of the powers of the committee to be set up, but it would also leave to the committee the decision as to whether or not it wants this matter referred to the Supreme Court of Canada. In other words, the matter would not be taken out of the committee's hands against its will, but would go to the courts only when the committee so decided.

May I make it clear that I am not trying to steal the thunder of the hon. member for Lake Centre. On the contrary I am just trying to be helpful; and I hope that if Your Honour does rule the present amendment out of order someone else—I would not hesitate to do it myself, but a member of the Progressive Conservative party could do it if he wished—would move this amendment which would serve to meet the objection of the Minister of

Justice, so that we may achieve the desirable objective set out by the hon. member for Lake Centre, namely, that at some stage of the proceedings we shall have, not the opinions of provincial attorneys general, not the opinions of deans of schools of law, but the opinion of the Supreme Court of Canada.

Mr. SPEAKER: Before the point of order was raised this afternoon, I had given consideration to the amendment of the hon. member for Lake Centre (Mr. Diefenbaker) and, in that connection, had prepared the following ruling:

The main motion proposes that a select committee be set up to consider, *inter alia*, what is the legal and constitutional situation in Canada with respect to human rights and fundamental freedoms. The hon. member for Lake Centre has moved in amendment that in order to assist the committee in its deliberations the government immediately submit to the Supreme Court of Canada such questions as are necessary to determine to what extent the preservation of the fundamental freedoms of religion, speech, press, assembly and the maintenance of constitutional safeguards of the individual are matters of federal jurisdiction.

This amendment actually proposes that the supreme court be asked to consider the same matter that the main motion proposes to refer to a select committee. It seems to me that both those propositions cannot be approved at the same time by the house. If the constitutional situation of human rights is submitted to the supreme court it thereby becomes *sub judice* and cannot be considered by the committee until the court has given its decision. The question cannot be before two public bodies at the same time. For this reason I feel bound to rule the amendment out of order.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, a motion similar to this, to set up a committee to look into and to recommend with respect to matters concerning human rights and fundamental freedoms, was passed at the last session of parliament. The present motion is made to set up the same type of committee for this year's deliberations.

I fancy the government must attach some considerable importance to the committee by reason of the fact that the speech from the throne read by His Excellency at the commencement of the session contained a recommendation that a committee be set up for this purpose.

While much has been said in debate with respect to human rights and fundamental freedoms as they are related to the united nations organization, I shall not deal with that phase of the subject. This afternoon I shall sound a note which I fancy will not be accepted any too readily in some parts of Canada, and perhaps not too readily in some parts of this House of Commons.

I am not so much impressed by arguments which have been used by those who advocate the need for a bill of rights for Canada. We talk about freedom of speech; we talk about freedom of religion and freedom of association; but I am always inclined to ask myself which of these freedoms we have lost, or which of them we are in danger of losing.

Have we not always had these freedoms; do they not still exist? The only freedom which people in this country have not realized is economic freedom. And when one proposes a way in which that freedom could be established, his proposal is taboo. In what way are our human rights and fundamental freedoms endangered today? To hear some speak, one would be almost led to the conclusion that the present administration must be on the verge of taking some of those freedoms from us. Of course in time of war we have witnessed the government exercising certain controls which were necessary in wartime. We have delegated, by legislation, the power to the present government to institute those controls. We have been waiting patiently for the government to release them since the war.

That release may not be taking place as quickly as some of us might wish. Personally, however, I cannot quite believe that the present administration desires to take away from Canadians their human rights and fundamental freedoms. I have been sitting in this corner of the house for about thirteen years looking at pretty much the same faces on the treasury benches. I have opposed much that they have proposed; but I cannot quite bring myself to the belief that they are so lax in their loyal Canadianism that they would interfere today with the human rights and fundamental freedoms of Canadians.

I have associated with my Conservative friends. They may some time or another take over the reins of office. They may not have a solution for the economic freedom of the nation, but I am quite sure that if they were in office they would not assume their responsibilities with any idea of curtailing our human rights and fundamental freedoms.

I have listened to our C.C.F. friends and I do not know that I am so enthusiastic about our human rights and fundamental freedoms being so safe in their hands. I cannot quite

bring myself to believe that all this crying aloud in Canada for a bill of rights is so necessary. Why all the hollering?

Mr. JAQUES: Just a smoke-screen.

Mr. HANSELL: Even those who would have destroyed our freedom in Canada during the past were left free in the matter of freedom of speech, freedom of the press and freedom of assembly. The fact is we did not hear a great deal about a bill of rights in Canada until the freedom of the communists appeared to be in jeopardy. It was not until the government began to crack down on communistic activities that the cry arose and certain people in Canada began to clamour for the protection of our freedom. That is so; there is no question about it.

What freedoms have we been denied in Canada? What freedoms have Canadians been denied that communists or anyone else would restore to us? Indeed, what freedoms and human rights would the communists give us that we have not already? I ask that question in all sincerity.

I am as convinced as I ever could be that traitors to our way of life are behind this clamour for a bill of rights to protect our fundamental freedoms. What do they want it for? They want it in order that they may be free to destroy the way of free men. I should like someone to answer this question if they can. I want to know if a traitor has the right to the freedoms inherent in our democratic way of life which he seeks to destroy?

I said I was convinced that behind this clamour for a bill of rights was the voice of communism. Even my good friend, the hon. member for Lake Centre (Mr. Diefenbaker), for whom I have the greatest regard, can be fooled. He is a very able debater; he is a very able gentleman within his own field as a legal exponent, but I am afraid that on this subject his mental vision has been cramped into the musty confines of the court room. He should enlarge his scope of vision; he should lift his sights; he should attempt to extricate himself from the legal court room strait-jacket.

When he has done that and has considered the subject in its wider concept he should then examine himself and ask himself whether or not the speeches which he has made in and out of this house on the subject of a bill of rights would be acceptable in communist circles. I believe he would have to conclude that if he gave his speeches on this subject he would be welcomed with open arms into every communist organization in Canada. Let him analyse that and ask himself that question.

I enjoy his speeches. I enjoyed the one he made this afternoon and with much of it I agree. However I must confess that I was a bit confused this afternoon. I assure him that I shall read his speech in *Hansard* tomorrow and attempt to analyse it more thoroughly. It seemed to me that at one time he indicated that our human rights and fundamental freedoms came under provincial jurisdiction, while at other times he seemed to indicate that he thought they should come under federal jurisdiction. I am a little confused there. I should like to know if he advocates that our human rights and fundamental freedoms should come under the authority of an international organization. That seems to me to be the big issue.

I said that perhaps what I had to say would not be readily accepted in some parts of Canada. During the recent past since there has been this cry for a bill of rights we have received a good deal of correspondence, some of it from organizations known as organizations for the preservation of our human rights and fundamental freedoms. I think anyone who is in the know does know that organizations throughout the United States and Canada which are pressing for a bill of rights are nothing more or less than communist fronts.

The other day I received a letter from the Civil Rights Union of Toronto, and I suppose all hon. members received a similar letter. The subject matter of the letter dealt with the LaCroix bill. I am not concerned with the merits or the demerits of that bill; I am concerned only with the fact that this letter was written on the letterhead of the Civil Rights Union, an organization which appears to regard our civil rights as being so precious. Who are the people attached to this organization as indicated by the names on the letterhead? I shall read them to you, Mr. Speaker.

The chairman is Mrs. M. H. Spaulding, secretary, Miss Dorothy Henderson; Jack Cowan, A. T. DeLury, Barker Fairley, Leopold Infeld, A. Y. Jackson, C. S. Jackson, C. B. Macpherson, Ben Manson, F. W. Park, H. C. Pentland, J. H. Sword, J. M. Wainberg. Will anyone say that some of these people are not communists?

Mr. KNOWLES: Jack Sword is not.

Mr. HANSELL: Some at least of them belong to the Labour Progressive party in this country. Analyse their records. Some of them may be respectable people; I do not know, but the old adage still holds good with me, "birds of a feather flock together". Let us not forget that it is quite possible to judge the colour of a movement by the personalities sponsoring it.

Here is another letter which came during the sittings of last year's committee. It comes, according to the letterhead, from the Committee for Bill of Rights, and the address is given as Toronto. The letter asks the committee to look into certain matters. I quote this paragraph from it:

> The constitution of Canada, of which the B.N.A. Act is the principal written part, is a constitution "similar in principle to that of the United Kingdom," and embraces by implication but nowhere expressly sets forth in binding and written form such fundamental freedoms as freedom of speech, religion, assembly, press and association, nor does it afford protection for the individual against arbitrary arrest, seizure and excessive bail, and other like civil liberties and human rights.

The next paragraph refers to legislative or administrative action and protection through the courts. The passage I have quoted is, I suggest, an attack upon the present administration. Of course it is not the first time they have been attacked; I have attacked them myself a good many times. But this attack on the present administration arises from their handling of the spy ring not so long ago. I am not going to criticize the government for that because, as a matter of fact, I do not disagree with anything they did in that respect. If I had anything to reprimand the government for it would be for allowing that situation to develop. But I ask this question. Who but a traitor or saboteur is in danger of arbitrary arrest? I wish someone would answer that question. I should like the Committee for Bill of Rights which sent in this submission to answer that question if they can. Who but a traitor or saboteur to our nation is in danger of seizure and excessive bail? I should like to know who is. I should like to know who would arrest these men and haul them into court unduly. It is only the traitor and saboteur who are in danger of anything of that kind. I do not think this government, or any other possible government, except perhaps one that might be remotely looming on the horizon, would do such a thing. Let these people say who would do these things. If they say, but some day a government might arise that would do these things, let them name that possibility. The only one that I can see at the present time is the communists, the reds.

Mr. JAQUES: The pinks.

Mr. HANSELL: Or the pinks, who perhaps are on the way. Here is another question I would ask. Even though these specific items, freedom of speech, freedom of religion, freedom of assembly, freedom of the press and freedom of association are written into our constitution, does anyone imagine or suggest for a moment that a communist government would regard these constitutional rights as inviolable? Why, the constitution itself would at once become a scrap of paper.

This Committee for Bill of Rights, whose address is Toronto, and which sends in this submission, sends an accompanying list of names of people who are supposed to be supporting the committee's efforts for a bill of rights, and in order to save time, Mr. Speaker, I wonder if I might be given permission to put the list of names on *Hansard* without reading them.

The ACTING SPEAKER (Mr. Golding): Has the hon. member leave of the house to put the list on *Hansard?*

Some hon. MEMBERS: Agreed.

Other hon. MEMBERS: No.

The ACTING SPEAKER (Mr. Golding): There must be unanimous consent. There was objection, so that perhaps the hon. member had better read the list if he wishes it to appear in *Hansard.*

Mr. HANSELL: It would take considerable time to read them because they cover two foolscap pages. There are about two hundred names.

Mr. WEIR: Who are they?

Mr. HANSELL: The Committee for Bill of Rights wrote to the house committee suggesting that our human rights and fundamental freedoms be embodied in the constitution, and they submitted with their letter a list of names gathered throughout Canada of people who are supporting them in this move.

Mr. KNIGHT: Is there any proof that these people are supporting them?

Mr. HANSELL: I think we shall have to take it that they support them. The committee would not submit the list without soliciting the support of these people. I could read the list, but why detain the house all that time?

The ACTING SPEAKER (Mr. Golding): I will ask the hon. members again if they agree to the hon. member putting this list of names on *Hansard.*

Some hon. MEMBERS: Agreed.

Mr. SMITH (Calgary West): On a point of order, Mr. Speaker, if we are to have the list of names put on *Hansard* we should also have the whole document put on. I do not see much object in having the list of names unless we know what they are supporting.

The ACTING SPEAKER (Mr. Golding): Unless there is agreement by the house the

hon. member cannot put the list on the record. I ask again if the house is agreeable or opposed.

Some hon. MEMBERS: We are opposed.

Mr. HANSELL: I did not get unanimous consent. Those who have not given unanimous consent have played right into my hands.

Mr. SMITH (Calgary West): Most of us would be happy to be there.

Mr. HANSELL: Thank you. Some interest will be aroused now as to who those men are. I shall read a few of them. There is Mr. Carl J. Stimpfle, president of the farmers' union of Alberta.

Mr. McCUAIG: Nothing the matter with him.

Mr. HANSELL: There is not? The man is a communist if ever one did live. I mention him only as one. If Doctor Sidney Smith wants to have his name associated with him, it is here.

Mr. JAQUES: And a good many more.

Mr. HANSELL: I will say this, Mr. Speaker. I thought I was doing these people a favour by pointing out to them who their associates were in this matter. Do they know? Did they know what they were supporting? I fancy some of them at least thought they were supporting the preservation of our freedoms against communism, and, being unaware that the reverse was the truth, they willingly lent their names and support to a sponsorship that would steal our freedoms from us. I repeat, I thought I was doing these people a signal service by pointing out who their associates were.

To my mind there are only two classes of people who are crying for a bill of rights in Canada, and having it written into our constitution under the sinister pressure of communist friends. Those two classes are traitors and dupes.

Mr. JAQUES: Reds and pinks.

Mr. HANSELL: We can think that one over, and I am saying that with some responsibility. I believe that to be absolutely true.

Mr. ZAPLITNY: May I ask a question? In which category will the hon. member put Doctor Sidney Smith?

Mr. HANSELL: Doctor Sidney Smith is a very clever man, but I am going to say that the cleverest of men have fallen for these communist fronts. Did not the spy report indicate to us that the Canadian-Soviet friendship league was a communist front? May I say to the hon. member for Dauphin that his own leader was one of the prominent men in that organization. I will ask him, was he a communist or was he duped into it? Let him answer that one.

Mr. KNOWLES: So was the Prime Minister.

Mr. HANSELL: If he was, that only adds weight and force to my argument, that even very intelligent people can be duped into these things.

Mr. MACKENZIE KING: My hon. friend does not say that my name is on that list, does he?

Mr. HANSELL: No, I am not saying that the Prime Minister's name is on that list to which I referred. What the hon. member for Winnipeg North Centre reminded me of was that the Prime Minister supported the Canadian-Soviet friendship league, which was a communist front. His name was prominently advertised in that connection.

Mr. CLAXTON: It was not a communist front at that time.

Mr. HANSELL: Oh!

Mr. BLACKMORE: Who says so?

Mr. HANSELL: Now, Mr. Chairman, we have the Minister of National Defence, a keen-minded man, saying that it was not a communist front at that time.

Mr. CLAXTON: I asked the question if that is not so; that it was not so at that time.

Mr. HANSELL: All I will say to him is this, if it was not a communist front at the time, then while they were in the organization the communists were clever enough to put it over them and make it a communist front. They did not safeguard their organization. If that is what he says, this is my answer to him: all these organizations parading under these fancy names were communist fronts. Let it not be forgotten that error does not go around parading as error. As one man once upon a time said, two beautiful young women went bathing one day. One of these young women was named Truth and the other Error. When Truth took a dive into the water Error put on her clothes and has been parading around ever since in Truth's clothes. Perhaps that is why all these intelligent man have been falling for Error.

It is nearly six o'clock, and my hon. friend wants to ask another question.

Mr. ZAPLITNY: It is a very short one. May I ask if the hon. member agrees with the views expressed by Mr. W. D. Herridge, with whom he was once very closely associated, in his book called, "Which Kind of Revolution?"

Mr. JAQUES: We do not agree with him.

Mr. ZAPLITNY: He is one of your gods.

Mr. HANSELL: I have not read the book; therefore I do not know whether I agree with him or not.

Mr. KNOWLES: He was the founder of new democracy.

Mr. HANSELL: I have a sheaf of notes and I am not yet through with my speech. Perhaps I shall be able to give the rest of it on some other occasion.

Mr. JAQUES: After supper.

Mr. HANSELL: Unfortunately I cannot do that. I have to address a public meeting tonight and cannot be here at eight o'clock. I shall have to continue at some other time. Let me say this. Let us be on our guard in respect of these matters. These human rights and fundamental freedoms are precious to us and we have them. You can write these things into a constitution, but putting them on paper and making them law does not preserve them. They are principles of life, and they operate as an organism operates; as life operates. This government is not going to take them from us; perhaps no one in this house is going to take them from us. If you want to write them into law, all right; but that does not preserve them and it does not give them to us. What we have to be on guard against is this false and evil thing coming into our country and stealing from us our human rights and fundamental freedoms, making Ottawa, if you please, another Prague and Canada another Czechoslovakia. Remember this, the people of the satellite states talked the same way some of our Canadians are talking, before these rights were stolen from them. Let us remember that. I have a strange and strong conviction that I am right. Believe me, I am right. I am sorry I cannot go on tonight, but you will hear from me again, Mr. Speaker.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): In the first place, Mr. Speaker, we must state the question and try to understand what is meant by liberty and freedom. My understanding of liberty is that it is the faculty of man to act within the limits of the law. It is a general definition, but there is not absolute liberty in this world. Ever since the Ten Commandments were given to man, there have been restrictions on his liberty. The object of the civil law—and in using that expression I take it in a broad sense; I mean the purpose of all laws made by man—is just to help man to act in conformity with the Ten Commandments. This is the principle of all legislation. Naturally there is too much of it and there are hindrances as a result of the excess of legislation. But I still persist in saying that freedom is the faculty given to man to act within the law.

There are, of course, some good laws and some bad ones. That is inevitable. That goes with the freedom of man. But law is conducive to order. The purpose of law is to maintain order, because order is the most desirable condition of society; and order in society is to be appreciated by men as the normal condition of affairs. When some men act as termites to destroy the pillars of state and to destroy order, that order must be maintained in spite of the efforts of the few to destroy it. This is why sanctions are necessary in order to maintain order in any well organized state. It is not a pleasure to pay taxes for the support of policemen, but it is done in all civilized countries in order that the laws shall be respected. There are constables at the various doors of this building. They do not arrest anybody. They are here just in case something wrong happens and just to maintain order and to restore order if ever it is disturbed.

There are some people who have more sympathy with those who destroy the order of society than with those who abide by the law. It is their right to think in that way, but it is my right to tell them that they are wrong. I remember the time during the war when people were so enthusiastic—at least, some of them were—in defending the liberties of the people that they were calling the draftees "zombies". They thought those men ought to be sent to jail because they were not reporting at once after what had been said to them by the Prime Minister (Mr. Mackenzie King) and some of the cabinet ministers. An atmosphere had been created, and that atmosphere was inflated by prejudice. Those men who are now the champions of liberty and of fundamental rights were precisely those who were most unjust toward an honest and respectable class of our population. And they were less excusable for being so prejudiced and bigoted, because there were some exemptions for people who said they were conscientious objectors. But when a farmer was honest enough to say that he was not a conscientious objector, he was called a zombie, and had "traitor" written on his brow by those men

who today advocate liberty for all. It is a great conversion, and I admire the zeal of the neophytes in the predication of liberty and freedom.

Before going farther, I want to say how greatly surprised I am that the hon. member for Macleod (Mr. Hansell) was not given the opportunity to table the list of names he mentioned or to put them on *Hansard*. How can we listen to speeches about human rights, freedom of speech, the freedom of this or the freedom of that, when objection is taken to allowing a member to put on *Hansard* a list of names that has been sent to each member of the committee on human rights? I have that list here. I wonder if the house will accept it and allow it to be put on *Hansard* as it is? If not, I will read it.

Mr. KNOWLES: What is it?

Mr. POULIOT: It contains the names of those who are for legislation on human rights.

Mr. SPEAKER: Has the hon. member the unanimous consent of the house to table this list?

Some hon. MEMBERS: No.

Mr. ILSLEY: Is that not the list which was just refused?

Mr. SPEAKER: If there is no objection—

Mr. POULIOT: It is a list of names of those who favour a committee on human rights, and who wrote to the members of the committee.

Mr. ILSLEY: Lay it on the table.

Mr. KNOWLES: Is it the same list that was refused from the Social Credit corner this afternoon?

Mr. POULIOT: It is the same list, but it was not sufficiently explained. It is a list of names hon. members have received.

Mr. SPEAKER: I have already put the question. If there is no objection the hon. gentleman may table the list. If there is objection he may not do so.

Mr. POULIOT: Then it may be tabled?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Read it.

Mr. POULIOT: Then I will read it; and this shows how prejudiced in fact are the hon. members who say they are for human rights. They consider it a shame to mention the names of some communists and some honourable people who are in favour of this. They are for human rights. The Minister of Justice (Mr. Ilsley) is for human rights; the hon.

[Mr. Pouliot.]

member for Winnipeg North Centre (Mr. Knowles) has prepared a long speech on that subject, but they do not want to be told who are their partners. They are not sincere about it. This shows what a joke it is from beginning to end.

Mr. KNOWLES: That is an unparliamentary remark.

Mr. POULIOT: Well, it is true.

Mr. KNOWLES: I rise to a point of order. The hon. member for Temiscouata is making the assertion that those of us who object to this list being tabled without being read are insincere. I submit that the word "insincere" applied in that case is out of order and unparliamentary, and should be withdrawn.

Mr. POULIOT: Those who are for human rights apparently do not want this list on *Hansard*, and I say they are not sincere.

Mr. KNOWLES: Read it.

Mr. POULIOT: If the word is unparliamentary I withdraw it. I withdraw everything that is unparliamentary, because I am going to read these names.

Mr. SPEAKER: I must call the attention of the hon. member to the fact that this afternoon, when I was absent from the chamber, an hon. member who had the floor asked the same privilege the hon. gentleman is asking now, and it was refused.

Mr. POULIOT: Well, I say it is a joke to speak of human rights, freedom of speech and all that bunk. Now I will take the names one by one:

Vancouver: Earle Bireny, Dr. Norman Black, Kenneth Drury, Hugh Dobson, John Goss, Dr. A. E. Grauer, Lawren Harris, Adolph Koldofsky, Leon Ladner, K.C., Hunter Lewis, R. J. McMaster, Dr. Norman McKenzie, Elmore Philpott, Dorothy Steeves, Watson Thomson.

Victoria: Dr. J. M. Ewing, Rev. A. E. Whitehouse.

New Westminster: Dorothy Livesay.

Edmonton: L. Y. Cairns, K.C., C. H. Huestis, George Hunter, Elmer Roper, M.P.P., Carl J. Stimpfle, R. H. Settle, F. G. Winspear.

Calgary: Alex Calhoun, Gladstone Virtue, K.C.

Saskatoon: F. T. Appleby, Dean F. C. Conkite.

Regina: Hon. J. W. Corman, K.C., Mrs. Margaret Cooper, Hon. T. C. Douglas, Rev. J. P. C. Fraser, Rev. Homer Lane, Dr. H. C. Newlands, C. G. Palmer, A. B. Ross.

Winnipeg: Grant Dexter, Samuel Freedman, K.C., Eileen Garland, Jos. Harris, E. J. McMurray, K.C., David Owen, Victor Sifton, Dr. Carleton W. Stanley, Dr. A. W. Trueman, Dean D. S. Woods, W. J. Waines.

Ottawa: Mrs. John Bird, Patrick Conroy, Phileas Cote, M.P., R. E. G. Davis, Maurice Fyfe, Major J. C. G. Herwig, J. M. Macdonnell, M.P., A. B. MacDonald, A. R. Mosher, Senator Arthur Roebuck, Alistair Stewart, M.P.

Toronto: J. E. Atkinson, Dr. Gordon Agnew, Gerston Allen, C. A. Ashley, Andrew Brewin, Dr. Peter Bryce, Karel Buzak, George Bagwell, John Coulter, Dr. E. A. Corbett, Murray Cotterill, Jack Cooke, Dr. Harry Cassidy, Capt. R. G. Cavell, Dr. W. A. Cameron, Dr. John Coburn, Ethel Chapman, Warren Cook, William Arthur Deacon, Rev. Gordon Domm, Rev. J. T. Dawson, Oakley Dalgleish, Rabbi A. L. Feinberg, Mrs. Kaspar Fraser, Rev. J. M. Finlay, Anne Fromer, Prof. J. Finkelman, Edith Fowke, Mrs. W. L. Grant, G. M. A. Grube, Margaret Gould, Lorne Green, Marvin Gelber, Saul Grand, Leonard Harman, Andrew Hebb, Irving Himel, Prof. Charles E. Hendrie, Emmanuel Hahn, Leopold Infeld, Dr. Harold Innes, Canon W. W. Judd, Rev. Wm. Jenkins, Emma Kaufman, Prof. J. D. Ketchum, Dr. C. C. Lingard, George McCullagh, Sir Ernest MacMillan, C. H. Millard, Elliott L. Marrus, G. H. Maitland, J. S. Midanik, Dr. S. K. Ngai, Dr. Lorne Pierce, Dr. E. J. Pratt, A. F. W. Plumptre, Dr. Stanley Russell, Ben Rose, Dr. A. Rose, Ralph Staples, Dr. Sidney Smith, Provost R. S. K. Seeley, B. K. Sandwell, Mrs. Margaret Spaulding, Rev. J. Lavell Smith, George Tatham, Rev. E. H. Toye, Mrs. P. Tanner, Bessie Touzel, E. B. Titus, William M. Teresio, Herman Voaden, David Vanek, Dr. Malcolm Wallace, Jack Wainberg, Drummond Wren, Leon Weinstein, Prof. H. Wastaneys, Isabel Wilson.

Windsor: George Burt, Mayor Arthur J. Reaume.

Kingston: Lt.-Col. Eric Harrison, A. R. M. Lower, Gregory Vlastos.

Hamilton: Mayor Sam Lawrence.

Montreal: Dean W. H. Britain, Rev. Angus Cameron, Madame Therese Casgrain, C. C. Papineau-Couture, K.C., Gerald Cragg, Rev. Claude deMestral, George V. Ferguson, Gwethalyn Graham, Madame Constance Garneau, Paul LaFontaine, Arthur Lismer, Dr. J. C. Meakins, John McConnell, Hugh MacKenna, Roger Ouimet, Dr. Wilder Penfield, Leslie Roberts, F. R. Scott, Dr. Baruch Silverman, Dr. D. L. Thompson, Frederick B. Taylor, Gordon Webber, Mme. Pauline Donalda.

Shawinigan Falls: Dr. C. N. Crutchfield.

Fredericton: The Hon. C. H. Blakeny, Dr. Fletcher Peacock, Dr. F. J. Toole.

Halifax: Dr. H. B. Atlee, Donald Crowdis, Dr. L. J. Donaldson, C. F. Fraser, F. G. Gilkie, Rev. J. W. A. Nicholson, L. Richter, Lloyd Shaw, George A. Smith, L. E. Shaw, George Wilson.

Glace Bay: Freeman Jenkins.

Kentville: Robert Leslie.

Antigonish: Alex MacIntyre.

Now I say to you and the house, sir, that I am quite a good sport, and there was no reason to object to the reading of the list. I make no comment about anyone, but it shows how narrow-minded and bigoted some hon. members are.

Mr. KNOWLES: On a point of order—

Mr. POULIOT: I do not want any interruptions now. I have been fair enough, and I do not want to be interrupted.

Mr. KNOWLES: I rise on a question of privilege. I did not object to the reading of the list. My objection was to having it placed on *Hansard* without being read, and I am glad I made the objection.

Mr. POULIOT: The hon. gentleman could not object to the reading of the list; therefore it is a good thing he did not do so.

Mr. KNOWLES: That is right.

Mr. POULIOT: He must read the authors on parliamentary practice, and moreover he must understand them. Perhaps he should read a little less, but he must spend more time in trying to understand the spirit of the law as well as the letter. I have read this list. It contains the names of some well-known communists as well as the names of some other good people who have been led into error by those communists and the people who make themselves the advocates of the communists in the House of Commons.

What is the purpose of this discussion about human rights? What has been the sequence of it? The other day I suggested that the West Indies should be annexed to Canada, and some unpleasant remarks were made about this country by a cabinet minister there. I take the following from the Vancouver *Sun*:

W. A. Bustmante, minister of communications in the island government and virtual prime minister, said: "I will resist with all influence at my command any attempt by Canada for Jamaica to become part of its dominion.

That is a matter of opinion. Then he goes on to say:

The colour question is much more rampant in Canada than in the southern and western United States.

That is untrue. It is obviously untrue. If there had been no discussion of human rights last year, and if we had not set up a committee on human rights that man would not have been led into error by the people who represent Canada as a country where the rights of minorities are not respected, and where there is so much trouble for the coloured people.

This is untrue. But it is one result of that waste of time on so-called human rights. And I will tell something else to my hon. friend the member for Lake Centre (Mr. Diefenbaker), who is one of my most coveted colleagues, a man who has the gift of eloquence, who is well read and a good debater. I am not interested in the opinion of Mrs. Roosevelt, the widow of a great man; I am not interested in what is said by Mr. Justice Douglas of the United States—his two heroes —or in what is said by the Marquess of Reading. They may say anything they like. Mrs. Roosevelt and Mr. Justice Douglas speak for

the United States; they know nothing about conditions in Canada. And so it is with the Marquess of Reading.

If my hon. friend goes on quoting Mrs. Roosevelt and Reading and Douglas, then I shall answer by quoting Lin Yutang, the great philosopher, who was Chinese and who would think that those people were crazy.

Let us talk about Lake Centre now. If we are in that mess today, it is precisely because the government has wanted to appease him. He was crying for human rights, just the same as children cry for Castoria—"Human rights; human rights!" And when I wanted him to define what it was, he could not say anything.

He has now made a great suggestion. He has said that no statute passed by parliament should be amended by order in council. He was right on that, but he said it many times. I said the same thing long before we had this discussion; and the committee on human rights and fundamental freedoms will not change it.

He suggests that there should be amendments to ensure freedom of the press, something which I would favour, provided that the press remains within the bounds of normal truth and justice. The press often jumps over the fence. He suggests an amendment to section 688 of the criminal code. Do we need a committee on human rights for that? He wants a standing committee on civil rights; but we have no civil rights. Will he change the constitution? Civil rights are not ours. That belongs to the provinces, and rightly so; and I am all for it. Ottawa has no business to interfere with them any longer.

They complain about centralization; they complain about bureaucracy in Ottawa, and they want the bureaucrats at Ottawa to have jurisdiction over civil rights. Well, where is the logic in that? Then, not satisfied with that, this man, who denounces bureaucracy, is for red tape and for bureaucracy because he is not satisfied without a standing committee on civil rights, when Ottawa has no jurisdiction whatever over civil rights.

But he wants more than that. He wants a civil liberties division in the Department of Justice, and said that it would be a reservoir, a fountain of justice, or something of that description.

Then he wants repeal of the Foreign Exchange Control Act. On that he just repeats what I have said, without mentioning the committee on human rights. I am for that repeal.

He says he wants another dominion-provincial conference to be called. Called for what? If Ottawa is to take everything, according to his suggestion, then what is the use of a dominion-provincial conference? It would be the same thing as the invitations sent to the satellites of Moscow to go there to sign papers before Stalin. If the hon. member is logical with himself, if he is bold enough to state that Ottawa shall have a committee on civil rights, then the provinces are finished. That is one reason why I am opposed to this so-called business of human rights.

Then he referred to the income tax act. This has nothing to do with the income tax act. He referred then to workmen's compensation legislation—and I do not know whether it was he or the leader of the C.C.F. who made that reference. There is already a committee instituted for that purpose; it is just like a dog with two tails. They never have enough committees, to waste the time of parliament.

Then he referred to the conscience of the Canadian people. Let me say that the conscience of the Canadian people is pretty good, and that most Canadians are law-abiding. There should be no complaint about that. I find it strange when the hon. member leaves his audience under the impression that no one enjoys any civil rights, that no one has enjoyed any individual rights until now; not only until now, but until the millennium, when such legislation will be passed. He knows very well we have legislation to protect human rights, and those who insist upon human rights are those whom the hon. member for Macleod has called, and justly so, traitors and troublemakers. But they have to be kind to them.

If the government was right in instigating the spy probe, then there is no need to bring in legislation like that. Then, taking what has been said by the leader of the C.C.F. group, we find that he spoke about proceedings by poor people. Well, in Quebec they can proceed *in forma pauperis,* which gives a chance from the poorest to the richest.

He spoke about greater freedom and more fundamental freedoms. Those are the words which are used as propaganda by the termites who want to destroy the pillars of state. He stated that we have achieved complete freedom, but not a complete democratic society.

An hon. MEMBER: Who said that?

Mr. POULIOT: The leader of the C.C.F. party. Then he referred to the Archbishop of Canterbury, the dead one, who was much better than the one who is retired, and who is an active Soviet agent. He referred to the Archbishop of Canterbury and the share of labour.

An hon. MEMBER: Who is that?

Mr. POULIOT: I mean Fisher. I remember he gave swimming lessons to young girls in the Black sea. The picture appeared in *Life* magazine.

An hon. MEMBER: Who did?

Mr. POULIOT: Fisher, the former Archbishop of Canterbury. It was a full-page advertisement.

An hon. MEMBER: That was Inge.

Mr. POULIOT: He was trying to explain his propaganda. The article appeared in *Life* magazine. What I say is true. You may not agree with me but you will have to admit the facts. He said that we shall have no freedom until the dignity of man is recognized. I agreed so much with that in principle and in fact that I was the only one to defend the dignity of the working man during the war. I had no supporters when I defended the dignity of the working man in this house, when I argued that he ought to be respected because he was supporting the war effort. Now that the war is over, now that the working man, the labouring man has been abused by the press, by the politicians and by the soapbox orators, they begin to respect his dignity. They respect his dignity because of the next election.

Then he spoke of Hyde park. That is a small corner of the city of London. A small portion of that small corner is used by cranks who stand on soapboxes and say all kinds of silly nonsense. Nobody objects to them and nobody listens to them. A man may say he is the anti-Christ and another may say that he is our Lord. They are all crazy people, but they are not so crazy as to advocate silly legislation like this. When I was in London I passed through Hyde park many times and listened to these people. They were all ready to boast of themselves but they never spoke of legislation like this.

Here we have the Jehovah's Witnesses. We all remember what happened in regard to the Jehovah's Witnesses. They interfered with the freedom of others. I do not bother anyone and I do not want to be bothered by anybody; I want to have my peace. If these fellows annoy and disturb people they are acting against the provisions of some by-law or regulation and they are arrested.

Then take the padlock law of the province of Quebec. I can tell you what happened there. Mr. Lapointe was Minister of Justice and he was of the opinion that the law should be repealed. I did not think so and I sent a memorandum to the Prime Minister and told him that he would have to choose between Cardinal Villeneuve and Tim Buck. That is why that legislation was not disallowed. Cardinal Villeneuve was a greater man than Tim Buck. Cardinal Villeneuve's successor was a chaplain in the army and he did not sign the famous list that I read not long ago. That is history.

Do you not think that reform should start at home? Do you not think that the great trouble about freedom is that very few people think? Most people are ready to accept canned ideas, and the proof of this is in the list I read. A committee on human rights will not change anything that interferes with the freedom of man. What men and women have to do is to be introspective. They must banish the fears they have, the fear of losing patronage, the fear of losing personal advantage, the fear of losing something. Most people abdicate their right to think in order to gain some personal advantage. Everybody knows that is right.

We hear reference to the freedom of the press. I remember when King Edward VIII was being married the English press said that it was self-censored. The people of Canada are self-censored about everything. They are afraid to do anything; they are too shy. Is that liberty? Is that freedom? We need to think. Privately they tell us, "You are right;" openly they tell us, "You are wrong." What could be done by the committee to correct that? What the Canadian people need is a closed retreat where they can examine their souls and realize that reform must take place within each individual. When the individual reforms himself he will be much happier.

I have not treated this matter in a political way. I believe that all members should unite together to prove that they are not so credulous and so gullible as to swallow silly legislation like this which has been inspired by communists to destroy order in this country. When I see men of the intelligence of the hon. member for Lake Centre (Mr. Diefenbaker), men of the intelligence of the leader of the C.C.F. (Mr. Coldwell); men of the intelligence of the hon. member for Spadina (Mr. Croll), men of the intelligence and genius of the Prime Minister (Mr. Mackenzie King); men of the intelligence of the Minister of Justice (Mr. Ilsley) getting together to do what Fred Rose proved in this house time and time again, I am discouraged.

Will there be a time when those who have great responsibilities in this country realize that the time has come when they have no right to be so credulous or to impose such a waste of time on the members of parliament by the creation of a committee on so-called

human rights which will eventually destroy the rights of all by giving undue privileges to disorderly elements in this country?

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I wish to make just a few brief observations directed to just one point in this discussion. I shall not be nearly as exciting and certainly not nearly as long as the hon. member for Temiscouata (Mr. Pouliot).

I sympathize to some extent with those who say that the mere writing down in legislation of our rights, not only does not extend them but may even confine them. I sympathize with those who go back to the words of the poet and say that they want that freedom which—

> . . . slowly broadens down
> From precedent to precedent;

—and is not contained in statutes.

Nevertheless I think that in these days when we are subjected to such a flood of statutes which are confining our liberties in many ways we can be thankful to the hon. member for Lake Centre (Mr. Diefenbaker) who has drawn our attention to these things and who has suggested to us that we had better have a good look at them and not assume that methods and measures which have been sufficient in the past will necessarily be sufficient for the future.

My reason for rising this evening is merely to deal with one aspect of this matter, and that is the international aspect. In particular my purpose is to ask a question of the Minister of Justice, who is a serious man and whose words are taken at their face value as the words of few men are in this house. I want to ask him whether the international aspect of this thing is a serious matter or whether we are just playing with it. If one reads what he said the other evening, and I think he must have been very uneasy in some of the things he said, it seems to me that perhaps unwillingly, perhaps unintentionally, by the reading of the letter from the Secretary of State for External Affairs (Mr. St. Laurent) explaining why we had done nothing he slipped into two things that I doubt very much he wished to slip into. This letter says that the reason for the delay, the reason which makes it impossible, I understand, for anything to happen at the next meeting of the international body is that we have gone past the date, and this letter of April 1, 1948, is a letter of delay. There are two reasons given for that delay: first of all, the government wished to refer this matter to parliament, and, further, that there had been no opportunity to discuss it as yet in parliament.

[Mr. Pouliot.]

I submit that both of those reasons are trivial reasons. They are really not the kind of reason we ordinarily get from the Minister of Justice for any of the things that he puts forward, for the government have not made us ordinary members feel that they really consider it necessary to come to us very often when they want to do anything. They have rather made us feel that they can go ahead very much on their own and tell us as, if and when they feel like it. Further, I think that anyone would say that if there had been any genuine desire on the part of the government to have this matter come up in parliament some weeks ago it could easily have come up. Surely for that reason, if for no other, we might have deferred the excise taxes bill. That would simply have been a matter of extending its illegality for a few weeks longer, and if the illegality of those taxes did not trouble the government at their inception I do not see why they need have been bothered at the continuance of that illegality for a few weeks longer.

I think we are entitled to know from the Minister of Justice, who is a serious man, whether this thing means anything. I have in my hands the *Canadian Bar Review* and I have looked at what is proposed to be done. I have looked at the draft international declaration and at the draft international covenant, and no one is likely to say that these are things which can be taken up in a light-hearted manner. They are very difficult things. It is outside our usual field perhaps to do these things, and the only reason I suppose we would contemplate doing them at all is when we reflect on what has happened in this world we live in during the last thirty years. I was thinking today of an incident that happened, which those who have had the misfortune to be as old as I will recall, in 1913 at Zabern. It is almost impossible to believe that a single act of brutality committed by a Prussian officer in Alsace could have rocked the whole world. I will read in a sentence what happened:

> In November, 1913, Zabern was the scene of a fracas which caused great bitterness in France and assumed the proportions of an international incident. A German lieutenant named Forstner grossly insulted Alsatian recruits, and a street riot followed. Twenty-nine persons were arrested. On December 2, Forstner caused the arrest of a boy at Zettweiler and struck him with his sabre. The affair led to a vote of censure on Bethmann-Hollweg in the Reichstag, but the military party secured the acquittal of Forstner on appeal to the war council.

Bethmann-Hollweg was the German Chancellor, I believe, at the time, and the vote of censure took place in the Reichstag, in what was then a real parliament. The only reason

I have read that is that we should remind ourselves that thirty-five years ago in this world it was possible for a single act of brutality committed in Alsace, then under German occupation, so to exercise public opinion throughout the whole world that it produced a crisis in the German government, and it is hardly too much to say that it shook the world. It seems almost incredible, almost like a fairy tale, because today you could have thousands of people killed and it would not shake anything.

It is interesting also to recall in Churchill's book on the life of his great ancestor, the Duke of Marlborough, that in the eighteenth century even war was partly civilized. The book says that in the eighteenth century the nations in peacetime did each other as much good as possible, and in wartime they did each other as little harm as possible.

It seems like a fairy tale. The only reason I mention it is that we should remind ourselves that we have moved back into the dark ages. That is where we are, and if there is anything that can possibly be done in the international sphere to serve mankind we should not regard it as a joke. It is not a joke. This is the most desperately urgent thing that could ever engage our attention, and so I ask the Minister of Justice, who is a serious man, whether he takes this matter seriously. We should not have it brought to us at all if it is not taken seriously, and if it is taken seriously we ought seriously to consider it.

The task is almost superhuman; I admit that. It may be that we should just say we cannot do it and that we should consider it no more; but before we say that I suggest that we should remind ourselves that if we do not do it, if we do not at least try to do it, sooner or later I think the third world war will come unless we can prevent it by some kind of vital association which we must take seriously. You will remember what happened to the league of nations. Why did it fail? Because people were bored with peace. They did not like peace. Peace is a dull thing. People get excited only in wartime. You could not get anyone to work for the league of nations society except long-haired cranks like myself, people who were regarded as queer people. We were told that people are combative, that they always have been, and that a second world war was sure to come. A lot of people were saying that who had never done anything themselves in the first world war. Now we have had a second world war, and many think we are to have a third world war. I do not know whether this thing is any good at all, but I think we are at least entitled to hear from the Minister of Justice whether he thinks it is a good thing.

Mr. DAVID CROLL (Spadina): Mr. Speaker, earlier this evening the hon. member for Macleod (Mr. Hansell) attempted to put on record a long list of names, and the hon. member for Temiscouata (Mr. Pouliot) succeeded in putting them on the record. I think in fairness, not so much to the three members of the house whose names were included and who can look after themselves, but to those who are not members of the house, the country ought to know exactly what these people subscribed to, and for that reason I am going to complete the record by quoting from their statement in support of a bill of rights:

> The protection of the liberties of the subject has from time immemorial been the historic responsibility of parliament.
>
> The constitution of Canada, of which the B.N.A. Act is the principal written part, is a constitution "similar in principle to that of the United Kingdom," and embraces by implication but nowhere expressly sets forth in binding and written form such fundamental freedoms as freedom of speech, religion, assembly, press and association, nor does it afford protection for the individual against arbitrary arrest, seizure and excessive bail, and other like civil liberties and human rights.
>
> Recent events in Canada and throughout the world have demonstrated that it is desirable that such rights be stated with the utmost clarity in the written constitution of Canada, namely, in the B.N.A. Act, in order that all men and women in Canada shall know them and shall feel that their rights are secure from interference by legislative or administrative action, through the protection of the courts.
>
> We therefore urge that the parliament of Canada should by resolution seek an amendment to the B.N.A. Act, restraining the parliament of Canada and provincial legislatures from making or enforcing any laws abrogating the aforementioned liberties and, in particular, any laws interfering with freedom of religion, freedom of speech and expression, freedom of the press, freedom of assembly, freedom of association and organization, protection against excessive bail, protection of minorities, protection against cruel and unusual punishment and protection against arbitrary and abusive deprivation of life, liberty or property, and providing against the exile of Canadian citizens, establishing the above rights and the right to the franchise, to habeas corpus, to a fair trial with the assistance of counsel, all without discrimination as to race, sex, language or religion.
>
> Parliament has recently approved the charter of the united nations which declares it to be amongst the purposes of the united nations to promote and encourage respect for human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.
>
> It would be particularly timely when recent events have left in the minds of our people a vivid sense of the dangers of totalitarianism and the repression of civil liberties, and when the parliament of Canada has recently defined Canadian citizenship, that a solemn and explicit declaration of these fundamental freedoms hitherto implicit in our traditions, should now be enacted as part of our constitution. These rights would be in addition to, and in no way

in derogation from existing minority rights already set forth in the B.N.A. Act.

We urge that the members of parliament of all parties should seize this opportunity to establish a bill of rights for all Canadians.

That is the statement which was subscribed to by the men and women whose names were placed on record earlier this evening. I for one, in common with these people, believe that there is need for a charter, for a bill of rights. That is not only self-evident, I think it is overwhelming. We are living today in a time of great stress. In some parts of the world it is almost hysteria. Here at home, and abroad, men are being driven to unreasonable and excessive acts, almost to the point where they besmirch the very cause they believe in. No matter where you look, from every corner of the world, Bogota, India, Palestine, yes, in Canada, we receive reports of almost meaningless violence. We Canadians have become accustomed, yes, I think we have become indifferent to acts of violence in distant lands, and last week we had occasion suddenly to find ourselves startled from our complacency and deeply disturbed by danger signals at home. We should be all disturbed by the undemocratic behaviour of the students in the city of Windsor. No Canadian can condone such an attack on civil liberties. A mob is a mob, whether it is in Canada or in Bogota; and for us to close our eyes to certain goings on seems to me an incentive to others who are tougher than these students to see if they cannot try it, since it seems to be easy to get away with; and one excess leads to another. It is obvious in the world today that there is a division between the attackers and the defenders, and the battlelines on ideological grounds are already being drawn.

We in Canada have always been well aware of the dangers of the extreme right and the dangers of the extreme left. We know that the extreme right led us to one war. Now the extreme left has at least the possibilities of another world conflict; and to us both extremes are hateful. We want to pursue the middle course. We have always wanted the course of freedom; but the middle course, the course of freedom has some obvious deficiencies, not the least of which is the lack of a formal instrument of freedom, a bill of rights. I am familiar with the two schools of thought who have been enjoying an academic field day on the subject for the past few years. One side wants a bill of rights written into the constitution. The other side says that in the last analysis civil rights are the result of an informed and intelligent public opinion and that they cannot be guaranteed by putting them into a statute. Both sides, if left to themselves, will probably be arguing happily for the next twenty years.

The point I wish to make is that a bill of rights is not an academic subject for debating societies, but a very real and a very live one and very much needed by Canadians today. There is no fundamental law in Canada guaranteeing civil liberties; there is no fundamental law in Canada prohibiting the exercise of state power in the denial of civil liberties. Ours is a negative freedom. Free speech, for instance, is in the position where it is not forbidden; but a negative freedom is not enough. There are amongst us many minorities, racial, religious, economic and political minorities, who are profoundly upset at the present state of freedom in Canada. They see a growing spirit of intolerance manifesting itself in not just isolated cases here and there, but in mass action against whole groups; and they know full well that if discrimination can be practised against one group with impunity, it can be directed against any group.

We are not going to legislate tolerance in this country. I well remember the days when we tried to enforce temperance by law and it was a dismal failure. In the same way prejudice may masquerade as protecting the Canadian way of life, or a crusade against reactionism or communism or any other ism with which the majority happens to disagree and is out of sympathy with. Yet defining the limits of civil liberties by law would not be an empty gesture, as one hon. member intimated. There is a great need today for a formal re-statement of the fundamental principles of individual freedom. The people of Canada want to know what their rights are. They have the right to know what their rights are. The objection raised is that this house is not competent to deal with a dominion bill of rights. We are told that it would not be constitutional. Without getting into a discussion of the constitutional law, let me say that I do not think the question is as simple as all that. It is true that, under section 92, subsection 13 of the British North America Act relates to property and civil rights in the province. But is this provision meant to cover what we understand by civil liberties? I would recall that a few years ago, in the reference re Alberta legislation—the hon. member for Lake Centre (Mr. Diefenbaker) referred to it; 1938 S.C.R., page 100—the Supreme Court of Canada indicated that federal legislation was authoritative in relation to public debate and discussion.

I quite agree that it is difficult to say offhand just what the position is. But the con-

stitutional difficulties are no reason for sloughing off this whole thing. It is a simple matter to determine what the constitutional position is. If the Department of Justice is unable or unwilling to give us an authoritative opinion that is strong enough for us to proceed on, then the committee if given the power—and they should be given that power—can direct a reference to the Supreme Court of Canada. It is quite obvious that constitutionality is a condition precedent to a bill of rights. That being the case, we ought to determine the position with the least possible delay.

It seems to me that in any issue of general public policy, the government is remiss in its duty if it fails to give leadership. This is true in regard to the matter of a bill of rights and also in regard to a subject which is closely allied to it, and which has been under discussion here today, namely, the matter of communism in Canada. It is fair to say that we continue to sit on the fence in this vital issue long after Britain, Australia and South Africa have declared themselves unequivocally. The question in the minds of a great many people in Canada today is this: Is communism to be legal or illegal? Is our bill of rights to have in it a clause denying the freedom to be a communist? These are questions which we shall have to decide before very much longer.

I have had considerable experience in dealing with domestic communism. I have more of them in my riding than there are in any other riding in the Dominion of Canada. I have met them, dealt with them and defeated them, first municipally, then provincially and finally federally, over a period of nearly twenty years. My formula has always been a simple one. I like my communists out in the open so that I know who they are, where they are and what they stand for. I have done them in on every occasion that I have come to grips with them. I give that information to the house for what it is worth.

Already in this country groups of people here and there seem to be acting as though the decision to outlaw them has already been made. The very fact that they are acting in that way does not take away from us the responsibility; it only increases the responsibility. Until we are prepared to guarantee the freedom of the individual in a broadly conceived bill of rights, supported by all the ethical and social sanctions that our society as a whole can command, we shall go ill-armed into the great ideological conflict that is only beginning to make itself felt at the present time. The danger in Canada is still small, in my opinion; still just a few isolated happenings which the majority of us deplore. But it is something which can become embedded in our national consciousness. The way to prevent that from happening is to act now, because we cannot sit this one out. The people of Canada are looking to us for guidance, for leadership and for reassurance. It is our duty to express to them the canons of individual freedom on which our society is based.

I said I felt that the need for a charter of civil liberties is overwhelming and self-evident. The mechanics of the thing can be worked out if there is a will to do so. What we do now may avoid the need for having to do something much more drastic in the days, months, and years ahead.

I like to recall John Stuart Mill's words in his famous book on liberty, where he said that the worth of a state, in the long run, is the worth of the individuals who compose it; and that a state which dwarfs its men in order that they may be more docile instruments in its hands, even for beneficial purposes, will find that with small men no great thing can really be accomplished.

Mr. ANTHONY HLYNKA (Vegreville): The resolution before the house, Mr. Speaker, embraces both our national and international fields. In the international field the need for a code of human rights and fundamental freedoms is indeed of immediate and urgent importance. However, it will be recognized at once that the matter of the establishment and the enforcement of such a code falls within the purview of international organizations. It follows, therefore, that Canada's utmost contribution can be made in this matter by advocating and supporting the establishment and the enforcement of such a code. Obviously the extent of Canada's influence at international councils in this and other international problems will be proportionate only to her military, economic and diplomatic strength.

I was hoping to have an opportunity to discuss the international aspect of this subject, but in view of the immensity of this field I must postpone its discussion until some other time. On this occasion I intend to limit my discussion to human rights and fundamental freedoms as these rights and freedoms affect Canadian citizens within our own country. I think it will be generally agreed by most democratically minded Canadians that human rights and fundamental freedoms are the basis upon which our constitution, our form of government and our institutions have been built. It is my view that, even though there may be some shortcomings and imperfections in our political and organizational structure, which admittedly could stand improvement,

nevertheless no loyal Canadian would want to see our concept of life replaced by any other advocated in the world today.

It is with this consideration in mind that we should be discussing the principles of human rights and fundamental freedoms as far as their application in Canada is concerned. However, in line with what is being proposed in the international field by the nations of the western world it may be advisable for us to review and improve some of the laws in our own country. To use but one example, I would point out that in the economic field human rights and fundamental freedoms have never been known to all our people. In other words, the economic freedom which all our people should enjoy is measured, under the present financial system, by the amount of money they can afford to spend. No one will deny that there is plenty of room for improvement in this regard. We know, too, there are numerous other things that cry out for improvement. However, the matters I have mentioned have not been the central theme of the many advocates of human rights and fundamental freedoms; it was something else that brought on the alarm. What is more, as far as human rights and fundamental freedoms are concerned, everything seemed to be running quite smoothly until Mr. Igor Gouzenko appeared on the scene with his famous bundle of documents. Now and then there might have been casual references by jurists, scholars and legislators to instances where our laws should be improved, but there was definitely no general alarm about this matter. Even during the war years, when the Canadian government did many things that revealed poor judgment or lack of knowledge in dealing with certain important matters, the general public recognized that those were abnormal times, and in view of that fact no particular protest was raised by anyone. As a matter of fact, as time went by, some of those blunders were corrected, others were forgiven and still others are being lived down by persons who were thus affected.

It was not these things that brought about the crisis in the matter of civil liberties. It was not these things that brought into the fold of the civil liberties branches many well-meaning but misled Canadian citizens. It was the clamouring of persons who were selling out the freedoms of the Canadian people that brought about this alarm, the demand for wider freedom so that they could continue their work of treason undisturbed. Yes, it was not until Gouzenko forced those famous documents upon this government and a number of suspected persons were rounded up and detained for questioning, that human rights and fundamental freedoms began to receive so much attention. Surely it must be plain by now to most Canadians, whom this spy ring was serving and what were the intentions of the people involved.

Ah, but the critics of the procedure of the government in dealing with this problem would say, "Prosecute them in a court of law". The critics of the government in this regard may have a point there; but I wonder what procedure they would have followed if they had been in the position of responsibility, faced with the unprecedented situation that existed at the time of the unfortunate incident, when cells of agents were discovered to be in the service of a foreign country, agents who had spread their networks into various phases of activity in this country. Would they have taken a course of delayed action by providing an opportunity for persons held for questioning to get together and agree to withhold certain information? After studying the evidence carefully, it appears to me that the matter of the prosecution of suspected persons was of secondary importance as far as that situation was concerned. I may be mistaken, but it seems to me that the most important factor entering into this whole matter was to learn what information and how much was transmitted to interested parties. This consideration would appear to me to override everything else; for, after all, there are no torture chambers in Canada; no third degree methods are used here; and the slight inconvenience which may have been suffered by a few persons who kept company with dangerous characters may serve as a warning to others not to fall into the same trap.

Perhaps those learned in the law could show that I am mistaken on this point. They might be able to propose a method by which any such crisis could be avoided in future. If they can suggest a sound procedure for dealing with such matters I shall give them my support; but I have yet to hear any sound procedure suggested. I am convinced that the Canadian public would lend their support to any suggestion which would have the effect of improving our laws; but it must also be kept in mind that any such improvement should provide proper protection for this nation against treachery, deceit and treason. At no time should our laws be fashioned in such a way as to make it convenient for foreign agents to use them as a protective cloak for espionage activities.

In this connection I might mention that last Friday evening, after this debate was adjourned, I met a Progressive Conservative member outside this chamber; and before we parted he made a casual statement which I consider profoundly true. He said, "Any person who needs a bill of rights to hide behind is a poor type of citizen to have in this country". There is much wisdom in that statement. If I may go on from there, in the report of the royal commission on the espionage activities we find the following passage:

> The evidence has revealed the existence of an organization constituting at least a threat to the safety and interests of the state, as evidenced by the fact that some witnesses holding strategic positions have made the significant statement under oath that they had a loyalty which took priority over the loyalty owed by them to their own country, and for that reason they acted as they did, and would unquestionably have continued so to act had they not been detected.

It is a terrible state of affairs, Mr. Speaker, when some Canadians say they owe a higher loyalty to some outside power, in preference to their own country. The shocking reality of this whole situation lies in the fact that these are not simple, agitated folk who, through ignorance or economic conditions, parrot what someone else has said or make threatening remarks to make themselves more important. These young people had better than average opportunities, as their educational standings and their preferred positions indicated.

Canada and the Canadian people have been kind to these persons and placed them in positions of trust. These are the type of persons who normally would be expected to provide leadership to their less fortunate brothers. But what do we find? It is clear from the evidence that Canada and the democratic concept of life is not their ideal. The ideal which was sold to them was the nazi-fascist dictatorship, wrapped up in a red coat. While this was going on, such men as John Robert Osborn of Winnipeg, Manitoba, gave their lives in defending Canada. I might add that John Robert Osborn was awarded the Victoria Cross posthumously for his gallantry at Hong Kong. He left five orphans and a widow. I should mention also that in addition to his service in the recent war he also served in the first great war.

I would suggest, therefore, that when we are discussing this subject of civil liberties we should think of Osborn and others who have given their lives on the battlefields so that the torch of freedom may continue to burn in Canada.

A press report on this heroic role played by John Osborn says:

> Time and again he picked up flying Jap grenades being hurled at his position and threw them back at the enemy with reckless disregard for his own safety. Finally a grenade fell too far away, and he had only time to smother it. It exploded just as he covered it, and he was killed. His body stopped the flying shrapnel from seriously wounding any of his companions.

In fairness to our fighting men, and particularly in fairness to the memory of those who have died in battle, we owe it to their memory and to their widows and children to stop all those who would sell out the freedoms of this country. There is no room for soft pedalling or appeasement in dealing with treachery.

Last Friday night the Minister of Justice (Mr. Ilsley) introduced a resolution dealing with this subject of human rights and fundamental freedoms. His statement, so far as any human rights bill for Canada is concerned, was significant. It was significant because he had no definite proposition to make.

First, the minister read the resolution into the record. He then reviewed the dates on which last year's committee on human rights sat, and said that it held eight meetings and made four reports to the House of Commons and to the Senate. He then reviewed what was done in regard to the international bill of rights. He told us that all provincial governments and law deans in Canadian universities were invited to submit their views on this matter, and particularly with regard to the division of power as between provincial and federal governments. The minister told us also that some of the provinces and some of the law deans replied to the communications; others just acknowledged receipt, and some did not even bother to reply.

Finally the minister told us that he had no bill to present to the house; but since an undertaking was given last year that the committee would be set up this year, the minister wanted to keep his word. Well, Mr. Speaker, I cannot help but agree with the minister; and I must say I am surprised he was able to say as much as he did on the matter; for, after all, what else could he say?

So far as a bill of rights for Canada is concerned, no one has submitted a definite proposition. No doubt a bill dealing with this matter can be brought in, but only after an exhaustive study by competent jurists and other men interested in this subject. It is a task, however, which requires considerable

research, and it will take considerable time to complete it. The matter must also be settled with the provinces.

So the minister could hardly do other than he did when he failed to promise anything on this matter. I feel I should add this, that the main reason the minister and the government placed the resolution before the house was to silence the demand of civil liberties associations and, when the committee on human rights is set up, to throw the matter into the lap of that committee.

In view of what I have said thus far, some hon. members may think I am speaking in defence of government policy in dealing with this matter. But nothing could be farther from the truth. It is my view that the government should be given the severe verbal thrashing which they deserve. But they should be taken to task on another count. When the spy ring was uncovered I was sure that the chief spokesmen of the opposition parties would have the government over a barrel. Here was a situation where able young Canadians occupying positions of trust betrayed their country. Here was a situation which developed as a result of the government's lackadaisical policy. Here was a situation where the government appeased communists at every turn, and in fact entered into an unofficial arrangement during the Grey North by-election and the general election in 1945. Here was a situation where communists were actually treated as a privileged class in Canada.

Was the government not aware that, while we were being entertained by the various friendship leagues, the Trojan horse was being ushered in? Prominent Canadians and government representatives took a leading part in these powwows. And I might say this affair did not stop there. What is more, a foreign citizen had to beg the government and to plead with them to take the documents and to do something about the situation that developed in Canada.

But the government told him to go away. Mr. Speaker, it is inconceivable why the opposition critics did not take the government to task on this score. But what do we find? Instead of being alarmed about the danger, the opposition critics and other civil liberties champions lashed out at the government for inconveniencing a number of persons who were held for questioning. Evidence of conflicting loyalties, evidence of infiltration of agents in a foreign service, evidence of the workings of fifth column groups in Canada did not worry the champions of civil liberties. They were concerned about the complaints of detained persons. Let me emphasize that civil liberties must and should be protected, but the champions of civil liberties must also admit that by doing so we must not place the liberty of the entire nation in jeopardy. Under foreign domination we would have no say about civil liberties; or about anything else for that matter. In other words, our civil liberties and our national liberties should both be protected. But to champion civil liberties at the risk of losing our national liberty is to render a disservice to Canada and to the Canadian people. I say to the champions of civil liberties that at this stage of history the struggle is not only for the extension of civil liberties; it is also a struggle, first of all, for our own national survival.

Does it not seem strange to us that this alarm for civil liberties can be found only in Canada, in the United States, in the United Kingdom, in France and in a few other countries in western Europe? But what about the civil liberties in Yugoslavia, in Roumania, in Bulgaria, in Poland, in Czechoslovakia, and above all, what about human rights and civil liberties in the U.S.S.R.?

Mr. STANLEY KNOWLES (Winnipeg North Centre): Mr. Speaker, I want to put myself clearly on the side of those who believe that we should have a bill of rights for Canadians. I noted the last question of the previous speaker when he asked why it was that in countries like Canada, the United States and the United Kingdom there is the greatest amount of concern about civil rights. I feel that that is highly significant. What it means is that in those countries where we enjoy a certain amount of freedom we know its value and we want it extended and guaranteed and made secure for all our people.

The only reason I chose to intervene in this debate—after all, the case that I might make was made so much better this afternoon by my leader, the hon. member for Rosetown-Biggar (Mr. Coldwell)—was because of what happened this afternoon when the Minister of Justice (Mr. Ilsley) raised a point of order with respect to the amendment moved by the hon. member for Lake Centre (Mr. Diefenbaker). I felt that the points raised by the Minister of Justice were technically correct, but I indicated at that time that I was in wholehearted support of the substance of the amendment moved by the hon. member for Lake Centre. I suggested to him or to some of his colleagues that it would be desirable to have another amendment moved in a form that might be in order so that we could pursue this project of having the whole question referred to the Supreme Court of Canada.

I consider that the government should have taken more responsibility in this matter. It seems to me that the government should have drafted a bill of rights, brought it before parliament and let us deal with it in the house and in committee. As part of the consideration of such a bill of rights introduced by the government, arrangements could have been made for it to be referred to the Supreme Court of Canada, either before or after its final enactment. However, the government has not taken that course, but has chosen rather to throw the matter into the lap of parliament and in turn has asked parliament to put it into the hands of a committee.

That being the case, we do not have the right under the rules of this house to instruct the government to do anything by way of making a reference to the Supreme Court of Canada, but I am convinced that we do have the right to make sure that the special committee which is being established has the right to make recommendations, if they so choose, calling for a reference to the supreme court. As indicated by the hon. member for Lake Centre this afternoon—I want to make it clear that in part I am taking precisely the language he used in the amendment that was ruled out of order—there is, on the one hand, the possibility of referring to the Supreme Court of Canada hypothetical questions as to the extent to which there is federal jurisdiction over matters relating to the freedoms of religion, speech, press, assembly and so on, but there is also the possibility of asking that there be referred to the Supreme Court of Canada a draft bill of rights.

I contend that the committee should have the power, without making it mandatory, to discuss these two ways of attacking the problem. The committee should have the power of making recommendations, either that such questions be referred to the Supreme Court of Canada or that a draft will be referred to the Supreme Court of Canada. Since the government did not introduce such a bill, I suggest that it is up to the committee either to decide the questions to be referred or the nature of the draft bill to be referred. Accordingly I now move, seconded by the hon. member for Kindersley (Mr. Jaenicke), the amendment which I suggested this afternoon during the discussion on the point of order, as follows:

That the following paragraph be inserted between paragraph three and paragraph four of the proposed resolution:

"That the committee shall have power to recommend (a) that there be referred to the Supreme Court of Canada such questions as in the opinion of the committee are necessary to determine to what extent the preservation of the fundamental freedoms of religion, speech, press and assembly, and the maintenance of the constitutional safeguards of the individual, are matters of federal jurisdiction; or (b) that there be referred to the Supreme Court of Canada a draft bill of rights, containing such provisions as in the opinion of the committee should be included therein, to determine whether or not it is within the powers of the federal parliament to enact such a bill of rights for the Canadian people."

I am satisfied that that amendment is in order. It does not do one thing which the amendment proposed this afternoon did, namely, put the responsibility back on the government. The simple fact is that under the rules we cannot do that. But this does give the committee the green light to make recommendations along the lines suggested in the amendment.

I shall not take the time of the house to say anything more, either on the amendment or on the general subject now before us except to say that I feel we should do everything we can in this country to maintain and extend all the freedoms we now enjoy, political, civil and religious. Freedom of thought and speech, freedom of the press, freedom of assembly, yes; but let us remember that far too many human beings live lives blighted and dwarfed by economic oppression. Man will not really be free until economic tyranny is no more. In my view that is the job of political democracy today, to achieve economic freedom for all.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I should like to associate myself with the remarks which have been made by the hon. member for Temiscouata (Mr. Pouliot), the hon. member for Vegreville (Mr. Hlynka), and the hon. member for Macleod (Mr. Hansell). I am sorry that the latter was not able to conclude his speech, and for a few minutes I shall endeavour to carry on where he left off.

In considering any policy I always like to find out if I can the motive behind the policy. For instance, in a certain form of heart trouble a little strychnine may save a man's life, while in another form of heart trouble a little strychnine might mean instant death. So before I support any remarks on the virtues of strychnine in treating heart disease, I should like to know just who is to administer the strychnine and just what his motives are.

The hon. member for Macleod said, if I remember correctly, that there are just two kinds of people in the Civil Liberties Association; there are traitors, and there are the stooges, the dupes. I agree with that, and I go a little farther and say with regard to this motion that there are just two kinds of people in Canada. There are those whose first loyalty

is to Canada, and there are those whose first loyalty is to internationalism. On several occasions in this house in the past I have warned people against the dangers of internationalism to our Canadian freedoms. For instance, five years ago I made this statement which I have since quoted in the house:

> The defeat of German arms is certain, but the plots of international finance and communism, their plans for world control by the surrender of national sovereignty to world government and police force, have become a greater threat to our liberties as Christians and democrats than the disaster at Dunkirk.

I was severely taken to task for making that statement, but in the light of what has happened since and the present condition of the world I think what I said then was more than justified. This session I quoted a statement made some years ago by the present Prime Minister of Great Britain, the Right Hon. Clement Attlee, who, according to a statement I have read, said in 1934:

> We have absolutely abandoned any idea of national loyalty and we are deliberately putting a world order before loyalty to our own country.

Then five years ago this month I quoted from and denounced a statement made in this country by Mr. B. K. Sandwell, whose name I think was mentioned this evening by the hon. member for Temiscouata.

Mr. POULIOT: And I said, Oh, ho!

Mr. JAQUES: Mr. Sandwell's statement was this. He advocated a supra-national authority, with power to settle questions of immigration, natural resources, the treatment of minorities, repudiation of debts, finance, et cetera; to bring about Canada's acceptance of a new authority it would be necessary to bring all the people to a diminution of their loyalty to the crown by substituting a new loyalty to an authority wider than Canada, wider than the British commonwealth of nations or of all the democracies together. Well, Mr. Speaker, chickens have a habit of coming home to roost and Mr. Attlee now finds it necessary to do what he can to clean out the communists not only in the civil service but in the House of Commons itself.

I well remember, and I think it was mentioned by the hon. member for Vegreville this evening, that in the report of the royal commission on espionage the main reason given for the otherwise inexplicable behaviour of young responsible Canadians in betraying their country was mainly the teaching which they had received that they owe a superior loyalty to some international ideal or ism.

We come now to civil liberties. I think I might quote Mr. Churchill on civil rights. As I said when I started, I look at the motive of any policy. Speaking of communism in his book "Great Contemporaries", Mr. Churchill said:

> Communism is not only a creed. It is a plan of campaign. The anatomy of discontent and revolution has been studied in every phase and aspect. The method of enforcement is as much a part of the communist faith as the doctrine itself. At first the time-honoured principles of liberalism and democracy are invoked to shelter the infant organism. Free speech, the right of public meeting, every form of lawful political agitation and constitutional right are paraded and asserted. Alliance is sought with every popular movement towards the left.
>
> The creation of a mild Liberal or socialist regime in some period of convulsion is the first milestone. But no sooner has this been created than it is to be overthrown. Woes and scarcity resulting from confusion must be exploited.

When I see the names of many in these civil rights organizations I ask myself always, what is the motive behind this agitation for civil rights? I am not sure, but I believe I am right in saying that the ultimate purpose of this bill on human rights is this. First of all, the rights of the provinces with regard to civil rights are to be placed with the dominion government. I am not accusing the Liberal government of this. This is what I have gathered from some of the speakers this afternoon. The rights of the provinces are to be gathered together, so to speak, and placed with the dominion government; then they are to be transferred to the united nations. That is as I understand it. When I look at the record of the united nations all I can say is that if it inspires anybody to trust his liberties to it I do not think he can value his liberty very highly. Look at what has happened to liberty since the united nations was formed. Look at Yugoslavia, Czechoslovakia, and so on. They have all lost their civil liberties, and what has the united nations been able to do about the matter?

We now come to a question which is still alive. I am not going into the Palestine question tonight. I mention it because it illustrates what I have said about the united nations and fundamental rights. Not only have I spoken on this particular question in various parts of Canada and in the United States, but I have discussed it with leading zionists and with many of the Arab leaders. In the last few weeks I have read everything that I have been able to lay my hands on with regard to the united nations organization and partition. I may say that I have read the reports and the columnists of the United States and Canadian press, and so far as the Arabs are concerned I have yet to read one

reference to their fundamental human rights. If anybody can show me that I am wrong I shall be very much obliged.

What happened when the administration of the United States found it necessary to reverse their policy of partition? As I say, I have read all that I can obtain on the reaction in the United States and in this country, not only among the people but among members of the senate and of congress, and it all boils down to this: the only effect or the only notice that was taken of the reversal of partition was the possible results upon their political futures. For instance, President Truman was said to have killed his chance of election this year as president because he had lost the Jewish vote. The democrats immediately rushed in to say that it was a disaster; that it would mean the end of the united nations, and the Republicans said the same thing. The only reaction to the reversal of partition in the United States was simply a political reaction as it might affect the political chances of the various parties. I am only repeating what I have read in dozens of United States papers, that the future of the Arab people and, if you like, of the Moslems, depends, not on any question of fundamental rights but upon the Jewish vote in the United States.

Mr. SMITH (Calgary West): The hon. member surely does not mean that.

Mr. JAQUES: Of course I mean it.

Mr. SMITH (Calgary West): God help you.

Mr. JAQUES: God help you. Let me say to the hon. member for Calgary West (Mr. Smith) that if he denies that, then I say he denies what has been said by every paper and commentator in the United States.

Mr. SMITH (Calgary West): I am sorry; but I deny it absolutely.

Mr. JAQUES: So do the communist papers; I will admit that.

Mr. SMITH (Calgary West): Thank you for putting that in.

Mr. JAQUES: That is quite right; the communists and fellow travellers, and they are to be found in all parties.

Mr. SMITH (Calgary West): Even in Great Britain, which never voted for partition.

Mr. JAQUES: I know. I spoke against partition in this house and outside it, even before it was passed by the united nations. If the hon. member for Calgary West thinks I am talking of things about which I do not know anything, let him rise in his place when I have finished and say whether he approves or disapproves the zionist action in Palestine. I have condemned it for a good many years now, but I have not heard anybody else in this house do so.

Mr. SMITH (Calgary West): Condemned what?

Mr. JAQUES: Condemned political zionism. I mentioned motives—

Mr. SMITH (Calgary West): Now you are at something you know something about.

Mr. JAQUES: I mentioned motives.

Mr. KNOWLES: Was that Moses or motives?

Mr. JAQUES: Motives. Somebody mentioned racial and religious discrimination. There are two ways of looking at that. It is a well-known fact that no people are so keen on banning that discrimination as are the communists. It is easy to see why. Suppose you pass a law—I am not a lawyer, and I do not intend to talk in a legal way—to make illegal what is called racial and religious discrimination. Suppose I am an employer of labour, and that a man comes to me for a job. I know that man, we will say, is a communist; he might happen to be a Jew or anybody else, for that matter; for instance, he might be a Mormon or a Doukhobor. But if I refused to employ him because he is a communist, it would be a criminal offence; he could immediately accuse me of racial discrimination. That sort of law would open the door to the communists and it would be almost impossible to deal with them.

Mr. SMITH (Calgary West): Under what law could you be prosecuted?

Mr. JAQUES: I said if there was a law—

Mr. SMITH (Calgary West): I beg the hon. member's pardon. May I ask him a question? As I understood him, he said he could be prosecuted because he refused to employ a man who was a communist. Under what law could that be done?

Mr. JAQUES: It was a hypothetical case. I said that were such a law passed—and certainly some members this afternoon said that in their opinion such a law should be passed—I could be prosecuted. I say that such a law would be the finest shield for the penetration of communists into any organization.

Mr. HARTT: There is such a law in New York and in Manitoba. Has anything like that happened there?

Mr. JAQUES: Not yet, so far as I know.

Mr. SMITH (Calgary West): May I say that I misunderstood the hon. member who has the floor. I understood that he said there was such a law. I did not hear him correctly.

Mr. JAQUES: Thank you.

Mr. HARTT: There is the same law in Ontario, and nothing of the kind has happened.

Mr. JAQUES: These things do not happen all at once. There is no hurry.

Mr. HARTT: No, no.

An hon. MEMBER: Take your time.

Mr. HARTT: We will wait.

Mr. JAQUES: Speaking of internationalism and the real purpose and motive of internationalism, I have made a few notes on the social credit analysis of the hidden motives behind this drive for internationalism. It is an essential strategy for world dictatorship. The central strategy is to gain the monopoly of credit and of world propaganda so as systematically and continuously to spread false doctrines and to exploit the inevitable confusion resulting from putting such false doctrines into practice. This exploitation takes the form of centralizing every kind of control, the creation of greater and greater monopolies leading to the police state, and to the final step of world government by world cartels controlled by international financiers. Some of the meshes of this international net are UNRRA, Bretton Woods, emergency food board and UNESCO, by which nations surrender control of their credit, food supplies and propaganda; in other words, a world cartel of credits, propaganda and food to be used as sanctions against any recalcitrant countries.

National sovereignty is an obstacle in the way of these international socialists and would-be dictators. An inner ring of internationalists, extending to many countries, repudiate loyalty to the country of their adoption; they give their loyalty to their international ring and its ideals. Through their control of financial policy they are able to exert a controlling influence over the governments of the country in which they live. Their plan is to replace national with corporate government, the control being within the international ring. This is the empire of international cartels, with the international financier as the emperor. With them war is a means to an end. War is "the pursuit of policy by other means." These internationalists work to a plan. Let me name some of them. Mond sets up a chemical cartel linked with Germany and America. Samuel recommends state ownership of coal. Isaacs (Lord Reading) negotiates a war debt settlement with Wall Street, binding the British to undisclosed terms. Sieff sets up political and economic planning, using the war as an excuse to overcome opposition. Cassel finances the London school of economics to train the bureaucracy for the future world socialist state. Laski preaches class—that is civil—war. The state assumes the ownership of coal and other real assets, and international finance involves the state in dollar debt. The socialists bankrupt the state, and the international financiers foreclose on the physical assets. In the meantime the people, forced into the factories under the slogan "Work or want", are controlled by quotas and ration books, ticketed and dossiered by social security.

That, Mr. Speaker, is a brief but, I believe, absolutely true picture of the real motives behind this drive for international government, and the surrender of national sovereignty to international control.

Mr. E. B. McKAY (Weyburn): Mr. Speaker, the purpose for which the committee on human rights and fundamental freedoms has been set up is extremely laudable. It is to consider the manner in which the obligation assumed by Canada as a signatory to the united nations charter may be implemented. It will also have the job, if I understand the terms of reference correctly, of studying and recommending ways and means of preserving in Canada these human rights and fundamental freedoms.

It is extremely important in this changing world that Canada set her own house in order. The challenge of totalitarianism makes this imperative if our democracy is to continue to flourish. I consider it important to recognize that communism is not a disease in the strictest sense of the word. It is held up by its proponents as a way of life infinitely superior to the democracy to which we have subscribed our allegiance. As Canadians we must meet that challenge in the most effective way possible. We must prove to the world that democracy is a better way of life than that which is the basis of the Russian system.

I cannot conceive of laws and regulations preventing the growth of an idea such as communism; and I must agree with the many people who hold that you cannot destroy ideas with guns. It has been tried before with but one result, the martyrdom of a cause. But I do believe that the setting up of a new social and economic order based upon the dignity of the individual can accomplish the ends desired by all democratically minded people. Canadian boys in the last war died to establish a new

world order based on human equality, respect for the individual by reason of his humanity, justice in every sphere of life without any barriers of colour, race or creed. Our duty as legislators is, as I see it, to bring to fruition those very principles and ideals our sons hoped to realize in the post-war world.

The united nations has made considerable progress in achieving that goal. Not the least among those achievements is the adoption of a draft of a world bill of rights issued from Geneva on December 16 last by the united nations commission on human rights which, when adopted, will become binding upon all the signatories, including Canada. The clauses in the text are as follows, and to me they appear comprehensive and to cover adequately the field of human relations:

1. Everyone is entitled to life, liberty and equal protection under the law.

2. Everyone has the right to freedom of information, speech and expression; to freedom of worship, conscience and belief; to freedom of assembly and of association, and freedom to petition his government and the united nations.

3. No one shall be subjected to unreasonable interference with his privacy, home, correspondence or reputation. No one shall be arbitrarily deprived of his property.

4. There shall be liberty to move freely from one place to another within the state; to emigrate and to seek asylum from persecution.

5. No one shall be held in slavery or involuntary servitude. No one shall be subjected to torture or to cruel or inhuman punishment or indignity.

6. No one shall be subjected to arbitrary arrest or detention. Anyone arrested has the right to be promptly informed of the charges against him and to trial within a reasonable time or to be released.

7. Everyone in the determination of his rights and obligations is entitled to a fair hearing before an independent and impartial tribunal and to the aid of counsel. No one shall be convicted or punished for crime except after public trial pursuant to law in effect at the time of the commission of the act charged. Everyone regardless of office or status is subject to the rule of the law.

8. Everyone has the right to a nationality. Everyone has the right to take an effective part in his government, directly or through his representatives, and to participate in elections, free and by secret ballot.

9. Everyone has the right to a decent living, to work and advance his well-being; to health, education and social security. There shall be equal opportunity for all to participate in the economic and cultural life of the community.

10. Everyone everywhere in the world is entitled to the human rights and fundamental freedoms set forth in this declaration without distinction as to race, sex, language or religion. The full exercise of these rights requires recognition of the rights of others and protection by law of the freedom, general welfare and security of all.

These are fine and noble ideals and, as I see it, it is practical Christianity. But the mere acceptance of this bill of rights is not enough. Everyone must be prepared to do everything in his power to see that the clauses are implemented not only in Canada but everywhere in the world. That is why the setting up of this committee is so important.

Democracy must be realistic, if it is to meet the problems of our day and age. If there are problems of racial and religious inequities to be solved, let the problems be met now. Putting them off until another day, and hoping that something will happen to solve these problems will never take care of the situation. Delay is dangerous particularly in this modern world of ideologies. People who are victims of discrimination of any kind are fertile soil in which the seed of communism will flourish.

I feel that this committee not only can do a great deal to solve the problem of discrimination but may serve as well as an instrument through which problems of human rights as they affect the Indian in Canada, Chinese, Japanese, negroes and certain religious denominations may be placed squarely before the Canadian people. These are all important problems and must be solved. It may not always be politically expedient to grapple with such questions, but postponement of the evil day will not lessen but will increase the danger to this country as a democracy, if we fail to settle these differences within our social and economic structure. To talk about the brotherhood of man is not good enough. Envy, malice and hatred have all entered our civil and, in some cases, our personal lives, because of senseless inequalities which make barriers between one Canadian and another. Natural inequalities there may always be; but in no way do these deny the inherent equality of man, while artificial inequalities of wealth, birth, race, religion and opportunity do deny it.

Canadians ought to simplify the philosophy of life. We must convince ourselves and the world, too, that democracy works. Let us purify our system of glaring injustices which serve totalitarianism propaganda so well. Our thinking must rise above the level which looks down on the red, black or yellow man, the Jew or the new arrival from Europe. It must rise above the level that prefers lower taxes to good schools and adequate social legislation. It must rise above party politics or religious or racial feelings of superiority to accept the dictum that all men are equal, regardless of race, colour, creed or social status.

There is in the world today an angry surge of rebellion against exploitation, the misery of poverty and war. We can meet that protest by an understanding of the situation and by putting our own house in order. Corrupt privi-

lege at the expense of the people should not be the democratic way. Democracy has been an outstanding success for those who have enjoyed its privileges, but it must speak the language of the under-privileged if it is to win them as supporters. That is our job as legislators.

Recently, when discussing the work of the New York state fair employment commission in reducing discriminatory practices by employers, Mr. Charles Luckman of Lever Brothers stated:

> Big business has a tremendous stake in securing civil liberties for every man, woman and child in the United States. It is my firm conviction that private enterprise is doomed in a country where civil liberties are ignored or forgotten or legislated against. In the process of investigating the abuses of civil liberties we found that whenever such abuses were rampant, standards of living were lowest, property yielded smaller returns in taxes and businessmen usually ended up in bankruptcy courts. Loss of civil liberties has invariably been followed by poverty, ignorance, and ill-health—three scourges which kept people from being good customers. Democracy is good for business.

Yes, business has a big stake in securing civil liberties for every man, woman and child. But every Canadian who enjoys our democratic way of life also has a big stake.

Our way of life today is being challenged, and we can meet that challenge if we but try. The pattern of our laws must follow the Christian concept. We have nothing to fear if we follow the teachings of Christianity, for they have stood the test of time.

In closing, I should like to direct the attention of the house to a short statement made by Edwin Markham which may serve as a guide in the committee's deliberations. He said:

> We have committed the golden rule to memory; let us now commit it to life. We have preached brotherhood for centuries; we now need to find a material basis for brotherhood. Government must be made the organ of fraternity, a working form of comrade love.

Mr. A. L. SMITH (Calgary West): Mr. Speaker, I cannot tell you how much I have enjoyed the splendid essay just delivered by the hon. member who took his seat immediately before I rose to speak. I love beautiful phrases. I like to read them, particularly after I have gone to bed and perhaps have had a cigarette, and am just about to fall off to sleep. That is the time to enjoy essays—if they are not too serious. Frankly I like blood-spitters or thrillers even better; but essays perhaps come after that.

May I say that I believe I can go along with the prime purpose of the amendment offered by the hon. member for Winnipeg North Centre (Mr. Knowles); of course it is nothing more or less than that moved by the hon. member for Lake Centre (Mr. Diefenbaker). The hon. member for Winnipeg North Centre has added the word "recommend", and in the second clause he suggests that a case should be prepared and submitted to the supreme court.

In other words it is merely a change of vehicle. One might be the Irish jaunting car, which would throw out most of the people riding in it, perhaps including yourself, Mr. Speaker. The other one is more of the phaeton type, which permits one to go over the rough spots more smoothly.

But they seem to be part of the same thing. While I agree with the spirit and the purpose, perhaps I should say something about it. In the brief space of time I have been in the House of Commons, as we do in civil life and as we have in reading the newspapers and the periodicals, we have found great difficulty in dissociating provincial from federal jurisdiction. It does seem to me that the suggestion made by the hon. member for Lake Centre has been put in not more just language but more tricky language in order to conform to our rules. I use the word "tricky" in its most respectful and respectable sense.

What is this committee going to do? It will meet and there will be some wonderful debates for the first three or four days, as happens in most committees. Then they will be telephoning around to get a quorum. Then the senate will adjourn and there will be no quorum. The thing will end just where it has started. I am not for one moment trying to derogate the great importance of this purpose, if I may use that expression. I am one of those who think it would be a splendid idea to have something in writing with respect to these freedoms and personal liberties. In that I disagree with the hon. member for Macleod (Mr. Hansell) who, I see, has finished his speaking engagement and is back checking in *Hansard* the speech he made before six o'clock.

We all dislike the word "infiltration," but it is easy to see that by infiltration we have lost certain freedoms. However, it does seem to me that they would not have been lost so easily if we had had written down a law in this country forbidding anyone to take them from us except in a state of emergency, and by "emergency" I mean a state of war; for example, not such emergencies as those which permitted the Minister of Finance (Mr. Abbott), on the advice of the law officers of the crown, to change his mind in a few months. I mean real emergencies when I speak of that.

I must come back to my hon. friend, the hon. member for Winnipeg North Centre. He ended up what I thought was his most excellent

short speech—and you will notice, Mr. Speaker, that I use the word "short"—by telling us that he wanted to go much farther and end economic tyranny. He was supported by men who talked about—I have it all written down here on the back of an orders of the day—international finance, international something else, the international ring and so on.

Mr. KNOWLES: They did not support me. Those were Social Credit members; they are all on the other side.

Mr. JAENICKE: Those are your Alberta friends.

Mr. SMITH (Calgary West): I am proud of them, but only in a comparative sense. They are so infinitely better than hon. members from Saskatchewan and Manitoba. All night we have been listening to great big words. We have been told that there are communists. I know that; I have heard it before. It is not new. Then we find there is an international ring. Then we have our hon. friends to my immediate left with their economic tyranny. I do not think I am misquoting them.

Mr. KNOWLES: That is right; we want to end it.

Mr. SMITH (Calgary West): All right; let us end it. Perhaps you will not be so anxious to end it when I have ended with you. Their whole political philosophy is based on a question of preaching envy and that envy will ultimately amount to hatred.

At the end of the road they may form a government. I am not so old, but if I live twice as long as I have I am quite sure I shall never see it. If I should live to be 105 years of age, then I could spend that last year here and I know one of the things that would happen under the tyranny with which they would operate their system. In other words, it would be a police state.

Mr. WRIGHT: That is what they said in England five years ago.

Mr. SMITH (Calgary West): You are getting closer to it every minute. You must know that in England right now they have a capital levy.

Mr. WRIGHT: They will survive all right.

Mr. SMITH (Calgary West): I am quite sure that I could express the pious hope as my hon. friend has. I would not express it as a fact. I would continue to think it is a hope that they will survive. Of course they will survive, but under conditions more dreadful than anything they have ever known. But the courage is there and with that courage they will survive.

Mr. NICHOLSON: Things are not so tough as they would be if the Tories were in office.

Mr. SMITH (Calgary West): Let us assume that the hon. member is right and things would be tough in England if the Tories were in power, but the recent by-elections would seem to indicate that the people are inclined to think it would not be so bad. If my hon. friends were in power I know what my hon. friend's job would be. He would be the head of the gestapo in the government they would form after the rest of us had been thrown out.

Mr. KNOWLES: More nonsense.

Mr. SMITH (Calgary West): I usually hear my hon. friend. Stop talking into your whiskers.

Mr. KNOWLES: I said, "more nonsense".

Mr. NICHOLSON: Who is to head this gestapo?

Mr. SMITH (Calgary West): I thought you would, but you have a better chap who is not here tonight. You can be assistant chief or something of that kind. The hon. member for Winnipeg North Centre says "more nonsense." I am glad to see the hon. member for Lake Centre is here, because I intend to steal an expression from him and say that the hon. member for Winnipeg North Centre is the greatest exponent of nonsense that I ever knew. He knows all about that sort of thing.

Mr. McKAY: Coming from the source it does, it is a compliment.

Mr. SMITH (Calgary West): These little boys who play with firecrackers sometimes get their fingers burned.

Mr. McKAY: Where is the fire?

Mr. SPEAKER: I would ask hon. members not to interrupt the hon. member who is speaking, without his permission.

Mr. KNOWLES: He likes it.

Mr. SMITH (Calgary West): I am grateful to Your Honour for upholding the dignity and rules of the house, but I hope you are not suggesting that I need protection from these little boys over here.

What I am anxious to say is that it seems to me that we shall serve a great deal of time in this committee. We have been told that we are to leave here at the end of June. Between now and the end of June there are two or three by-elections coming up and I for one am going to be away from here for a short time. What I have in mind is this. If we are really serious about this thing—the hon.

member for Winnipeg North Centre will like this even though he made some nasty cracks before he finished—why do we not first settle the question of the authority which we or the committee may exercise, instead of spending over two or three months in the committee and probably ending in a blind alley. That seems to be simply common sense. I know that somebody will immediately rise and assert the dignity of the high court of parliament, but we all know that our legislation is always subject to review by the Supreme Court of Canada if a position is created where it may be taken there.

It is a well-known constitutional fact that an opinion may be sought from the supreme court by way of question. That would mean perhaps a delay until another session. I have no idea at the moment how busy that court may be, nor do I know how long it would take to prepare and properly present the argument. I have a suggestion to make. The greatest authority on rules that I know of is the hon. member for Temiscouata (Mr. Pouliot), and I think we might excuse him while he argued this case for parliament before the Supreme Court of Canada. Now that the amendment of the hon. member for Lake Centre has been ruled out of order on technical grounds, which I respect, sir, and the hon. member for Winnipeg North Centre has moved an amendment in language which may be more appropriate because he learns by the best of rules, that of trial and error—I do not want to credit him with being too great a genius, for I think he learned something from the amendment of the hon. member for Lake Centre—why can we not agree to find out if we are right or wrong?

We have had nothing written into our constitution since 1867 dealing with this question. We are now in 1948, and surely it can wait another year if it would take that long to decide it. I am quite sure that we could not get a finding from the supreme court by the end of June in time for us to do anything about it in this House of Commons this session. Why can we not all get together and adopt that simple suggestion? If the amendment of the hon. member for Winnipeg North Centre is not in proper form, let us put it in proper form and find out just what authority we have, instead of having a lot of us sitting around a table, making big speeches and talking all this idealistic business and some members not appearing in the committee at all because engaged perhaps on other duties, or something of that kind. Let us find out what our authority is, and then, when we know what it is, let us move within our authority just as far as we can. I submit to you, sir, with great respect that that is the common-sense view to take of the whole position that we are in now. Then we may accomplish something, instead of delaying the situation for another year by forming the committee now.

[Mr. Smith (Calgary West).]

I do not doubt that every member of the house is in favour of these freedoms and these liberties. The only difference I have heard in the house today was that raised by the hon. member for Macleod (Mr. Hansell), but he is an agreeable sort of gentleman and I think he might come along with us. He is the only person I have yet heard express a view against having something written into the constitution, but I do not think he would maintain that position long, because to write it in could not hurt the liberty situation; it could not hurt the basic freedom situation. The worst you could say about it would be that at the end it might be nugatory and accomplish nothing, but even at that we should have lost no ground.

So, with the greatest deference and respect I submit to the government and the minister in charge of this measure that they give it just a little more consideration. The supreme court are not so busy. We do not owe them anything. We vote their salaries in this House of Commons. They are fine men, able men, and I think they would be delighted to determine this jurisdictional question once and for all. Then we might have a committee of this house which would get some place. More than that, I suggest that the sensible thing is first to find out what we may do before we attempt to decide what we shall do, not knowing whether we have a right to do it or not.

Mrs. GLADYS STRUM (Qu'Appelle): Mr. Speaker, I am not going to read an essay; I hope I shall not have to indulge in a lot of dialogue, and I shall finish by eleven o'clock.

I wish to refer to the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) and to the resolution to which it refers. The object of the resolution is to find out what is the legal and constitutional position in Canada with respect to human rights, and what steps, if any, it would be advisable to take or to recommend for the purpose of preserving in Canada respect for and the observance of human rights and fundamental freedoms.

I suggest to the government and to the Minister of Justice (Mr. Ilsley) that it is not only his right but his duty to bring in a bill of rights. I think citizenship means very little if it can be qualified from province to province and subtracted from and denied on

certain grounds. Two years ago we had introduced to this house a Citizenship Act, of which we were all very proud, and we did not go to the provinces to ask them whether we had the right to pass such an act. We did not write to all the deans of law schools in Canada or to the attorneys general. We passed the Citizenship Act and it has never been challenged.

Last year when I was on the committee of human rights I thought it a strange procedure that we should search out all the objections to doing something if we really intended to fulfil our covenant with the united nations. In the summary which the minister gave the other day of the replies which he had received I found very little trace of objections. It was not a summing up of objections so much as a summing up of indifference, a summing up of ignoring. If this had been a burning question of vital importance to the provinces we would not have had the minister going over one reply after another and saying that such-and-such a one had expressed no opinion, and that another was simply an acknowledgment of his letter without stating any grounds. It was, as I say, a summing up of indifference to, rather than a summing up of objections to, a bill of rights. I think it was an irregular thing to do, because in this house if we think we are on solid ground we pass a bill and then wait for it to be challenged, instead of going out and asking for the challenge first. The customary thing is to pass an act, and then if it is declared ultra vires by the court we must abide by that decision. But in order, I think, to appease certain people we have reversed the procedure in this case.

I suggest, Mr. Speaker, that citizenship and the bill of rights are associated in law and in practice and in justice and that they must be considered jointly and on the same grounds. Since we passed the Citizenship Act, we have had some violations of our basic freedoms. The right of assembly has been violated, and I regret very much that the first violation of this right of assembly took place in the province from which I come. I regret very much that it took place in Regina where a group of citizens broke up a meeting that was called under the protection of the law. If the Labour Progressive party is an illegal organization we should say so. Until it has been declared illegal, we have no right to condone the breaking up of any meeting by force, because the right of assembly is just as basic as the right of religious freedom and the right of freedom of speech. The violation which occurred in Regina was repeated in the city of Windsor. I regret that, too. I am afraid these young people have heard their parents say at home what they think should be done with the communists. Very often older people are irresponsible and they make rash and extravagant statements, knowing that they will not act on them, but then their teen-age children go out and act on them. Maybe that is what happened in this case.

I hold no brief for the communist party, and the party with which I am associated is unalterably opposed to the methods and doctrines of the communist party. That is true of every party in this house. There is not a party in this house that would defend the communist doctrine or practices. What is it that we must oppose in this doctrine of communism? Is it not this denial of protection to the individual, this denial of human freedom and human dignity? When we condone lawless acts of violence, acts that violate the method of democracy, then we are condoning the very essence of communism. That is why I believe in Canada we must have a bill of rights. I believe that we must set out in statutory form the things which we wish to protect and the method by which we propose to do so.

There have been not only violations of freedom of assembly in Canada but other things as well. I wish that my hon. friend, the member for Calgary West (Mr. Smith) and the other hon. members to my left had protested the action that took place in Alberta not so long ago where a woman in the middle of her washing, the president of the I.O.D.E, had her home invaded by the mounted police who searched for papers.

Mr. JOHNSTON: How do you know that?

Mrs. STRUM: It was in your province.

Mr. JOHNSTON: Was it legal or otherwise?

Mrs. STRUM: I do not think there was any reason to search the premises of the president of the I.O.D.E. If the I.O.D.E. is an illegal society I have not heard of it. I object to these violations of the privacy of the homes of individuals. I object to the violation of religious freedom; I object to the denial of the right of people to exercise ordinary human rights because they are coloured—because they are Chinese or because their ancestors were negroes—and yet these violations have taken place across Canada. It is time that we began to insist that this is a democratic country and that we intend to defend and enforce these human rights.

Recently in Europe we had an example of the observance of the rules of decency and law in the trials of war criminals whose acts provided an example of the most horrible and

degrading human bestiality yet on record. These people were tried and sentenced under a method that demonstrated, as nothing else could have done, the difference between the rule of law and the rule of brutality. Is that not the basic difference between the system which we defend and the system which we resist? Is not this building up of law as an entity, this building up of a method through which it might be practised, that demonstrates the value of democracy? It is time that we set up in a bill of rights a code and a method for the protection of the individual.

Referring again to our citizenship act, I have been pleased, since the passing of this act, to notice that the British government is studying it, that the government of Australia is studying it. Throughout the commonwealth it is held up as a model. That is something of which our country should be very proud. We should now pass a bill of rights which would compare with our Citizenship Act in defining the basic rights and freedoms which it would guarantee to the individual. It is time that we did this.

It is wrong to suggest that provinces may encroach upon the rights of the federal government in this respect. Recently I have had occasion to study in detail the history of the Canadian constitution. I was surprised to find that in the beginning, when the rights of the provinces were set out as opposed to the rights of the federal government, the federal rights defined by the British North America Act were used in the beginning only for illustrative purposes. They were used to illustrate the territory which should be exclusively under the jurisdiction of the federal parliament. As time went on, through judicial decision, we find the provinces encroaching on the rights of the federal government. In that undefined and unexplored legislative territory we find that the provinces made more gains than the federal government did, and gradually the only rights remaining to the federal government were those that had been originally set out for illustrative purposes only. I think it is a false conception of the federal system of government to assume that provinces can limit human freedom and human rights and can lessen the protection of the citizens of this country. Therefore I would suggest to the government that they waste no time in framing and introducing in this parliament a bill of rights. Canada is now not only a great economic and military power but is a great moral force in the world today, and we wish to have this moral force unqualified by subtractions or limitations throughout the length and breadth of our land.

On motion of Mr. Church the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. ST. LAURENT: The program for tomorrow will be the continuation of that of today, with the addition of the motion to go into supply and the adjourned debate on the amendment of the hon. member for Rosetown-Biggar (Mr. Coldwell).

Mr. KNOWLES: In what order?

Mr. ST. LAURENT: I am not in a position to say in what order. I would hope that this debate on the motion to set up a committee on human rights and fundamental freedoms might be completed and disposed of in a short time before anything else was dealt with, but that has not yet been determined.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, April 13, 1948

The house met at three o'clock.

INDUSTRIAL RELATIONS

CHANGE IN PERSONNEL OF STANDING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the name of Mr. Bourget be substituted for that of Mr. Lalonde, and the name of Mr. Hamel be substituted for that of Mr. Raymond (Beauharnois-Laprairie) on the select standing committee on industrial relations.

Motion agreed to.

CANADIAN WHEAT BOARD

ANNOUNCEMENT OF RESIGNATION OF F. L. M. ARNOLD

Right Hon. C. D. HOWE (Minister of Trade and Commerce): Mr. Speaker, I desire to announce that Mr. F. L. M. Arnold has resigned as a member of the wheat board, effective May 15; and I now table the correspondence in respect thereto.

CRIMINAL CODE

ONE-THIRD OF JURORS TO BE FEMALE IN TRIAL OF FEMALE PERSONS

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 199, to amend the criminal code (juries).

Motion agreed to and bill read the first time.

FREIGHT RATES

INQUIRY AS TO MODIFICATIONS IN GOVERNMENT POLICY

On the orders of the day:

Mr. JOHN BRACKEN (Leader of the Opposition): I should like to direct a question to the Prime Minister having to do with a matter we will be discussing this afternoon; that is why I ask it now. Has the government made any other modifications in its announced policies with respect to freight rates?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Doubtless my hon. friend will hear the Minister of Transport (Mr. Chevrier) in a few minutes, and he will answer the question while he is speaking.

TABLING OF REPRESENTATIONS ON BEHALF OF PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Has the Minister of Transport received permission from the seven interested provinces to lay on the table of the house, representations made on behalf of the provincial governments to stay the order of the transport commissioners recommending increased freight rates? If so, will he table the documents?

Hon. LIONEL CHEVRIER (Minister of Transport): The answer is yes. The request was also made by the hon. member for Lake Centre (Mr. Diefenbaker). I now table the applications to stay effective date of the order of the board of transport commissioners. At the same time I should like to announce that there will be distributed to members' boxes, if indeed this has not already been done, the judgment of the board of transport commissioners in the case.

PALESTINE

DEATH OF BRITISH SOLDIERS—COLLECTION OF FUNDS FOR ZIONIST ORGANIZATIONS

On the orders of the day:

Mr. NORMAN JAQUES (Wetaskiwin): On Friday last I addressed a question to the Secretary of State for External Affairs, who said he would give an answer after he had time to read *Hansard*. I would ask when I may expect an answer to my question.

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): The question is framed in language which makes assumptions of facts as to which I have not been able as yet to obtain confirmation. That is the reason no answer has yet been given.

VETERANS AFFAIRS

INQUIRY OF THE MINISTRY

Mr. D. KING HAZEN (Saint John-Albert): Mr. Speaker, I should like to ask a question of the Minister of Veterans Affairs, based upon a resolution passed by the Saint John trades and labour council on April 2 last. It states:

We consider that the request made unanimously by—

Mr. SPEAKER: Order. The hon. member must understand that he cannot refer to a resolution in that way.

Mr. HAZEN: I cannot very well ask my question without doing so.

SUPPLY

FREIGHT RATES—INCREASES ORDERED BY TRANSPORT BOARD—AMENDMENT, MR. COLDWELL —SUBAMENDMENT, MR. BRACKEN

The house resumed from Wednesday, April 7, consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Coldwell and the amendment to the amendment of Mr. Bracken.

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I rise to take part in this debate fully conscious of the serious political and economic implications that the question which the house has been debating may have upon the country.

As I indicated in a statement made earlier in debate, there have been some definite contributions to the discussion, some constructive speeches made by hon. members; and on the other hand there have been some destructive speeches. Some speeches unfortunately have been aimed at heaping abuse not only upon the judgment of the board of transport commissioners but also against and upon the government.

In the remarks I shall make this afternoon I propose to be frank and honest about the discussion now before the house, and that for more than one reason. But before entering upon a discussion of the three points with which I should like to deal today—first, the responsibility of the governor in council; second, the decision of the board, and, third, the decision of the government to require or direct a thorough and complete investigation of the inequalities in freight rates—I should like to dispel some of the misconceptions which seem to me to exist on this question.

First of all there seems to be a misconception with reference to the decision of the board. The decision of the board deals with an application for an increase in freight rates by the railways—and that was the only matter that came before the board at that time. The board on that occasion did not deal with inequalities in the freight rate structure, the so-called discriminations which have been mentioned in this debate. But the board dealt with and was faced purely with a revenue case.

Next, it was clearly stated, and I shall refer to this later, that in the discussion by counsel for the provinces they had no intention of submitting at that time an application for the disappearance of inequalities. Their arguments and evidence were directed clearly as an objection to the application of the railways.

Dealing therefore with the first consideration I mentioned a minute ago, namely, the responsibility of the governor in council, I should like to say this. Many hon. members, and I think no one more forcibly than the hon. member for Lake Centre (Mr. Diefenbaker), have taken the position that the responsibility was not that of the board of transport commissioners, but that of the governor in council. To use the expressive words used at that time, it was said that this was not only the responsibility of the governor in council but also that of the minister, that the baby was on the doorstep of the government, and that it was up to the government to deal with it.

I have no intention even in the slightest measure of backing away from any responsibility the government may have, and in anything I shall say I will not be back-pedalling from that responsibility. But I think the house should know that there is a definition respecting the responsibility of the government and the governor in council. That is what I should like to place before hon. members at this time.

Prior to 1903 the responsibility for rate fixing and for the rate structure in this country lay squarely upon the shoulders of what was then known as the railway committee of the privy council. That committee was charged not only with that responsibility, but with all other responsibilities having to do with transportation in Canada at that time. It soon became evident, however, as hon. members will immediately realize, that that method of dealing with freight rates, freight structure and the like was not only desultory but ineffective. Parliament therefore decided to obtain the opinion of a recognized authority on the subject, Professor McLean, who passed away only a short time ago.

Professor McLean proceeded to make an investigation and to report to the government. This is what he had to say with reference to the inability and the ineffectiveness of the railway committee of the privy council to deal with this subject:

> That committee has been unable, owing to its organization, to grapple effectively with the

problem presented. It has been impossible, owing to its stationary character, to deal effectively with questions pertaining to rates and preferences. A more migratory body could deal more effectively with these matters.

The defects of the railway committee as a regulator of railway transportation I would place under the following heads:

1. It has a dual function, political and administrative.

2. The lack of migratory organization renders it impossible to deal effectively with complaints.

3. The distances to be travelled by complainants render the expense too great.

4. There is lack of technical training for the work.

5. The existing organization is not sufficiently permanent.

And still quoting Doctor McLean:

In my opinion, the only way to put the matter of railway regulation on a more satisfactory footing in Canada is by entrusting it to a railway commission composed of men of technical training, who shall receive salaries adequate to attract the most efficient, and who shall have a long tenure of office.

It was following that report made by Doctor McLean to the then minister of railways and canals that parliament decided to pass the Railway Act. That act became law in 1903. It contained comprehensive provisions with respect to tariffs and tolls of the railways, and established the railway commission to administer the act.

Section 52 of the act sets out clearly the responsibility of the governor in council with reference to the matter. It states that the government shall have wide and varied powers to deal with applications of this kind. And while the discretion is vested in the governor in council in proceedings under this section, the position of the governor in council is defined as one of a judicial nature.

The intent of the legislation of 1903 was to invest the governor in council with these judicial powers by which he may, in his discretion, aid in securing and enforcing the provisions of the Railway Act, having due regard to the method of railway rate regulation by an independent commission, which was the outstanding innovation of the Railway Act of 1903, and has been preserved throughout the succeeding amendments which were made to the act down to the present time.

In other words, the powers of the governor in council are judicial in nature. These are not the only powers of the governor in council which are of a judicial nature. I do not think, and this is my own personal opinion, that it was ever intended that the governor in council should interfere in the question of rate making or rate equality or rate discrimination. The very nature of the act indicates that that should be left to the technical and expert knowledge of the staff of the board.

Again, without in any way backing away from the responsibility of the governor in council, it would not seem to be desirable, except under very extraordinary circumstances, that the governor in council should undertake to rehear or review the decisions of the board as to whether, upon the facts appearing in the evidence before it, in any particular case, the provisions of the statute with regard to rates have been complied with. That seems to me to be the proper interpretation to place upon section 52 of the act. In fact that is the history of the various cases. I believe that I am reliably informed when I say that from 1917 to date, in the cases wherein the increases were passed or ordered by the board following world war I, in no instance has the governor in council interfered to change the findings contained in the board's order.

In fact the contrary is true. In the 40 per cent case, to which I shall refer later, the decision of the board was dated September 9, 1920. It provided for an increase in rates of 40 per cent to be effective September 13, 1920; that is, four days later. An application was made to the governor in council to stay the order, but the governor in council declined to interfere with the effective date of the order. In other words, the point I am making now is that the governor in council should not substitute its judgment on a technical question demanding expert and technical knowledge and evidence for that of a board which parliament has created to do the job.

Mr. SMITH (Calgary West): Will the minister permit a question? There was an appeal, was there not?

Mr. CHEVRIER: I shall be glad to answer any question at the close of my remarks. I am afraid I shall not be able to make in forty minutes the remarks I have to make.

Mr. KNOWLES: You have unlimited time.

Mr. CHEVRIER: What I have said thus far is without prejudice to the right of the premiers of the various provinces of the dominion to make application by way of appeal for a review of the decision of the

board. Nothing in what I have said affects that position. While the premiers have not thus far made that application, they have asked for a stay in the order. They have signified a notice of intention to appeal. When they do I can assure this house that their representations will be carefully considered. If it is thought necessary to hear them, they will be heard. In the light of what they may have to say then, as well as in the light of circumstances, a decision will be made having regard to the best interests of the country as a whole.

The next point with which I should like to deal is the decision of the board made pursuant to order 70425 of March 30, 1948, following application by the railways for a thirty per cent increase in rates. The railways applied as well for an increase of twenty, thirty and forty cents per ton on coke and coal. The application of the railways specifically excluded a long list of items which I shall not repeat but which may be summarized under three heads. The application of the railways did not include (a) rates on grain and grain products under the Crowsnest Pass agreement; (b) rates on international traffic beyond the Canadian border; and (c) certain import and export rates on such traffic through Canadian ports.

What I should like to bring to the attention of the house is that the application for increases, instead of affecting an estimated freight revenue of $492 million for the two main railway lines in Canada affected a freight revenue of approximately $262,500,000, thus immediately eliminating nearly $230,000,000 of freight revenue. The application was predicated upon increased costs of operation. In other words, the board was faced with a revenue case. The railways claimed that because of higher wages, higher material costs, their revenues would be insufficient to meet their operating expenses, their fixed charges, their dividends and also the provision of adequate amounts for additions and betterments to their lines. After having listened carefully to the best expert evidence which could be brought forward, after having heard technical evidence by accountants and the like, the board of transport commissioners came to the conclusion that there was a substantial deficiency in the financial requirements of our two railways. They found that that deficiency amounted to $70,000,000 in 1947. For the Canadian National Railways lines in Canada alone the deficiency was in the neighbourhood of $40,000,000.

Let me pursue that point just a bit further. In 1940 the operating revenues of the Canadian National Railways and the Canadian Pacific Railway put together amounted to $384,000,000 and these produced a net operating revenue of $80,500,000. In 1947, seven years later, the operating revenues of the same railroads was $693,000,000 which produced a net operating revenue of only $71,000,000. In other words, an increase in operating revenue of $300,000,000 produced a smaller net operating revenue. There in one word is the position of the railways in Canada today.

If one stops to compare the position of the Canadian National Railways alone in the year 1946 with that of the year 1939 one finds that wages have increased by 42·2 per cent; fuel by 51·4 per cent; ties by 47·3 per cent; rails by 27·4 per cent; other materials by 26·2 per cent, or an over-all increase in wages and materials of 40·1 per cent. Thus $60,000,000 more was paid for wages in 1946 than was paid in 1939 and this for the same level of employment. A total of $26,000,000 more was paid for the materials used in 1946. This comparison needs no adjustment for the man-hours performed nor for the amount of materials used.

How can anyone expect that under those circumstances the railways can meet such mounting costs without additional revenue? The comparison which I have just made is based on the year 1946, and everyone knows what increases have taken place since.

The board gave careful consideration to all the arguments that were put before it. They sat for almost fourteen months. The hearings themselves began in February of 1947 and terminated in December of the same year. Sittings were held in every province. The provinces were represented by able and outstanding counsel. Expert witnesses were called and technical evidence was put before the board. From one end of the country to the other the board listened carefully and attentively to groups, associations and individuals who desired to present their cases.

There are six commissioners on the board at the present time. The board through the chief commissioner has delivered a clear and outstanding judgment in this case. One of these commissioners is a former attorney

general of the province of Saskatchewan. Does anyone in this house think that that man was not fully conscious of the position in which he found himself or that he did not understand the implications which this decision would have upon the province of Saskatchewan or upon the prairies or the rest of Canada?

Another commissioner is the former president of the Farmers Union of Canada. He subsequently became president of the United Farmers of Canada. He also served as a commissioner on the royal grain inquiry. Does anyone suggest for a moment that that commissioner, equally with the member from Saskatchewan, was not fully conscious of his duties as a commissioner and did not understand fully the impact which this judgment might have on the economy of Canada?

A third commissioner is a former member of the government of British Columbia. He delivered a separate judgment. He agreed fully with the conclusions arrived at by the chief commissioner, but he made some distinction with reference to the mountain differential. True, he referred to the inequality which existed in British Columbia so far as the mountain differential is concerned, but he agreed in substance with the conclusions and with the decisions arrived at by the rest of the board.

Still another commissioner came from the maritime provinces and represented the railway brotherhoods from that section. Four out of the six commissioners represented provinces other than the provinces of Ontario and Quebec. Surely these men were as much interested and as much concerned about the decision which they might render as any hon. member of this house could be.

The board had to assist it expert advice and expert assistants. It had two bodies from which it could seek advice. First it had the traffic department of the board of transport commissioners, composed of some twenty men, headed by a traffic officer and an assistant traffic officer, both of whom have done nothing during the whole of their lives but study freight rates and their effect in various parts of the country. Does anyone suggest for a moment that these men were not fully conscious of their position in the advice which they gave to the board?

The other body which the board had to assist it is known as the bureau of transportation economics, established in 1946 to assist the board of transport commissioners in the freight rate case now under discussion. It comprises some forty employees, seven of whom are technical men fully versed in the economics of transport, whether it be from the accounting, the financial or the statistical standpoint. So when the statement is made in this house that the board of transport commissioners are a group of incompetent men who have made a mess of their task and should be fired, I say that those who make such charges are not fully aware of the facts, nor are they doing justice to themselves. They are making statements which are entirely contrary to the facts.

May I deal briefly with the changes in the rate structure in this country following world war I. I think it will be of interest to the house, because there are some parallels which might well be drawn.

The first increase in freight rates in this country following world war I came in 1917. It was known as the 15 per cent case. It was made as a result of an application by the railways to the board of transport commissioners following the granting of a general 15 per cent increase in the United States. The increase then granted in Canada was generally 15 per cent in the rates, with a large number of exceptions too numerous to mention.

The second increase came in 1918. It was the 25 per cent case. It followed the McAdoo award in the United States; and hon. members will please note this, that it was made by the direction of the cabinet to the board. The increase was a general 25 per cent increase all across the board, with a number of exceptions too numerous to enumerate.

The third increase, known as the 40 per cent increase, came in 1920. It was made on application of the railway association to the board and was heard from August 10 to August 23, 1920. It provided for a general increase of 40 per cent in eastern Canada, 35 per cent in western Canada, and 33⅓ per cent in transcontinental rates, subject to certain exceptions.

In January 1921 there was a reduction in the rates by five per cent. In December of 1921 there was a reduction of ten per cent, and finally in 1922 the increase in the 40 per cent case was reduced to 17½ per cent in

eastern Canada and to 12½ per cent in western Canada. Since 1922, therefore, there have been no changes in the general rate level in Canada, though rates have been substantially increased both in the United States and in the United Kingdom.

In the United States here is what happened. In 1935 there was an increase of 5 per cent; 1938, an increase of 7·5 per cent; 1946, an increase of 6 per cent; 1947, an increase of 11·6 per cent, and again in 1947 an increase of 8·9 per cent; 1948, an increase of 8 per cent. The railways of the United States were therefore granted a series of interim increases the cumulative effect of which amounted to between 50 and 60 per cent.

What happened in the United Kingdom? On May 1, 1940, an increase of 10 per cent was granted; December 1, 1940, an increase of 6⅔ per cent; July 1, 1946, an increase of 8⅓ per cent; October 1, 1947, an increase of 30 per cent. The total increases granted in the United Kingdom were therefore approximately 55 per cent, as compared with an increase in the United States ranging from 50 to 60 per cent over the pre-war level, and an increase in Canada of 21 per cent.

A great deal has been said in the debate about the tremendous effect that this increase will have on the cost of living. The Canadian National Railways have prepared a chart showing the range of freight rate increase in cents per retail sales unit for commodities transported from their principal sources of supply to important consumption centres in Canada, and with the consent of the house I should like to place this chart on *Hansard*. Before doing so I should like to comment on one or two of the more important items used by the average citizen in this country. For instance, on tea moving from its principal source of supply to Vancouver there will be no increase, none to Calgary and none to Regina; there will be no increase anywhere with reference to tea because of the decision of the board. So far as coffee is concerned there will be an increase of one-tenth of one cent per pound on that commodity moving from these principal sources of supply to Quebec. There will be no increase to Montreal. There will be one-tenth of a cent increase to Halifax and Toronto, no increase to Winnipeg, no increase to Vancouver, one-tenth of a cent increase to Regina, and two-tenths of a cent to Calgary.

[Mr. Chevrier.]

Mr. SMITH (Calgary West): Are these commodities moving both ways?

Mr. CHEVRIER: No, moving from their principal sources of supply.

Mr. SMITH (Calgary West): Take tea.

Mr. CHEVRIER: Yes. It depends on where it originated. If it originated in Quebec and was moving to Montreal, there would be no increase; but I shall take other items which will, I think, make the point clear in a moment. Take milk. Because of the decision the increase per quart will be one-tenth of a cent moving from various sources of supply across Canada to all the points mentioned in this document. The same can be said of butter. There the increase will be one-tenth of a cent per pound, and the increase is almost the same on cheese.

I do not want to refer exclusively to items which bear out my point. Let me take one which may have a different bearing on it. Let me take a Chevrolet car, which the average man does not buy. A Chevrolet car moving east from Walkerville or Oshawa to Quebec will have to bear an increase of $7.33; to Montreal, $5.33; to Halifax, $7.86; to Toronto, $2.40; to Winnipeg, $17.48; to Regina, $23.39; to Calgary, $29.73; to Vancouver, $31.26.

I should like to place this table on record for the information of the house.

Mr. SPEAKER: Has the minister the unanimous consent of the house?

Some hon. MEMBERS: Agreed.

Mr. CHEVRIER: The table follows:

On the morning of March 30 the board of transport commissioners handed down its decision under order No. 70425 pertaining to the railways' application for an increase of 30 per cent in freight rates within Canada. The order referred to authorized an increase of 21 per cent in freight rates. On coal and coke an increase of 25 cents per ton was authorized. No increase was permitted in rates on grain and grain products moving between points in western Canada.

Here are shown the range of the increase in final freight costs per retail sales unit, for twenty-one different commodities transported from their principal sources of supply to eight representative centres of consumption in Canada. The commodities selected are, in the main, important items in the cost of living budget. Other items were selected in order to illustrate the situation more fully. The information shown does not necessarily represent increases in retail prices which may occur as a result of the increase in freight, but is merely indicative of the limited extent to which laid down costs will be affected by the proposed increase.

RANGE OF FREIGHT INCREASE IN CENTS PER RETAIL SALES UNIT

FOR COMMODITIES TRANSPORTED FROM THEIR PRINCIPAL SOURCES OF SUPPLY

TO IMPORTANT CONSUMPTION CENTRES IN CANADA

Commodity	Retail sales unit		Quebec		Montreal		Halifax		Toronto		Winnipeg		Regina		Calgary		Vancouver	
			Carload	L.C.L.	Carload	L.C.L.	Carload	L.C.L.	Carload	L.C.L.	Carload	L.C.L.	Carload	L.C.L.	Carload	L.C.L.	Carload	L.C.L.
			cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.	cts.
Tea	Pound	Low	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0	0·0
		High	0·7	1·1	0·7	1·1	0·7	1·1	0·7	1·1	0·5	0·7	0·5	0·7	0·6	0·9	0·7	0·8
Coffee (roasted)	Pound	Low	0·1	0·1	0·0	0·0	0·1	0·1	0·1	0·1	0·0	0·0	0·1	0·1	0·2	0·2	0·0	0·0
		High	0·5	0·7	0·3	0·7	0·5	0·7	0·3	0·7	0·3	0·5	0·3	0·5	0·4	0·6	0·3	0·7
Milk	Quart		.....	0·1	.....	0·1	.....	0·1	.....	0·1	.....	0·1	.....	0·1	.....	0·1	.....	0·1
Butter	Pound	Low	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1
		High	0·1	0·1	0·3	0·5	0·5	0·7	0·1	0·1	0·3	0·3	0·2	0·2	0·2	0·3	0·3	0·4
Cheese	Pound	Low	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·3	0·3	0·4	0·5	0·5	0·6	0·1	0·1
		High	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·3	0·3	0·4	0·5	0·5	0·6	0·5	0·7
Eggs	Dozen	Low	0·1	0·3	0·1	0·1	0·1	0·2	0·1	0·1	0·1	0·2	0·1	0·1	0·1	0·2	0·1	0·1
		High	0·5	0·8	0·5	0·8	0·8	1·3	0·5	0·8	0·5	0·9	0·1	0·2	0·4	0·7	0·5	0·7
Apples	Pound	Low	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·1	0·2	0·3	0·2	0·2	0·1	0·2	0·1	0·1
		High	0·3	0·7	0·3	0·7	0·3	0·7	0·3	0·7	0·2	0·3	0·2	0·5	0·2	0·2	0·1	0·1
Refined sugar	Pound	Low	0·1	0·1	0·0	0·0	0·0	0·0	0·0	0·1	0·0	0·0	0·1	0·1	0·1	0·1	0·0	0·0
		High	0·1	0·2	0·1	0·1	0·1	0·1	0·1	0·1	0·2	0·3	0·3	0·3	0·2	0·2	0·0	0·0
Salt (refined)	Pound	Low	0·1	0·1	0·1	0·1	0·0	0·1	0·0	0·1	0·0	0·1	0·1	0·1	0·1	0·2	0·0	0·0
		High	0·1	0·2	0·1	0·1	0·1	0·2	0·0	0·1	0·1	0·3	0·1	0·5	0·1	0·3	0·2	0·5
Beef	Pound	Low	0·1	0·1	0·0	0·0	0·1	0·1	0·0	0·0	0·0	0·0	0·0	0·1	0·0	0·0	0·0	0·0
		High	0·3	0·5	0·3	0·5	0·3	0·6	0·3	0·5	0·2	0·4	0·1	0·3	0·1	0·2	0·3	0·5
Fish (salted or cured)	Pound	Low	0·1	0·1	0·1	0·1	0·0	0·0	0·1	0·1	0·3	0·4	0·3	0·4	0·2	0·3	0·0	0·0
		High	0·1	0·1	0·1	0·1	0·0	0·1	0·1	0·1	0·3	0·5	0·3	0·5	0·4	0·6	0·3	0·7
Potatoes	Peck	Low	0·8	1·5	0·3	0·9	0·6	1·1	0·5	0·8	0·4	0·6	0·8	1·7	0·4	0·9	0·6	1·1
		High	0·8	1·5	0·9	1·7	0·8	1·5	1·1	2·0	2·4	4·4	2·0	3·8	1·3	2·3	0·7	1·4
Canned goods	Tin (20 oz.)	Low	0·1	0·1	0·0	0·0	0·1	0·1	0·0	0·0	0·2	0·3	0·1	0·2	0·1	0·1	0·0	0·0
		High	0·1	0·2	0·1	0·2	0·2	0·3	0·1	0·1	0·3	0·6	0·4	0·6	0·5	0·7	0·2	0·9
Men's suits	Suit	Low	0·7	0·7	0·0	0·0	1·0	1·0	0·0	0·0	2·7	2·7	3·5	3·5	4·5	4·5	5·0	5·0
		High	1·0	1·0	0·6	0·7	1·2	1·2	0·8	0·7	2·7	2·7	3·5	3·5	4·5	4·5	5·0	5·0
Men's shoes	Pair	Low	0·0	0·0	0·0	0·0	0·3	0·4	0·2	0·2	1·1	1·6	1·5	2·1	1·8	2·7	1·9	2·9
		High	0·3	0·5	0·4	0·5	0·6	0·8	0·5	0·6	1·1	1·7	1·5	2·2	1·9	2·8	1·9	3·0
Shirts	One	Low	0·1	0·1	0·0	0·0	0·1	0·1	0·1	0·1	0·4	0·4	0·5	0·5	0·6	0·6	0·5	0·5
		High	0·1	0·1	0·1	0·1	0·2	0·2	0·1	0·1	0·7	0·4	0·5	0·5	0·6	0·6	0·5	0·5
Bath tubs	One		35·0	51·3	28·0	42·0	39·7	59·5	16·3	25·7	79·3	123·7	109·7	168·0	137·7	212·3	123·7	249·5
Coal stove	One	Low	14·1	22·7	28·3	36·7	22·7	28·3	15·6	25·5	96·1	150·0	133·1	204·0	167·3	258·0	167·3	254·7
		High	45·3	73·7	38·0	56·7	53·9	80·7	45·3	65·1	101·9	158·7	136·0	212·5	172·7	266·7	167·3	311·7
Electric stove	One	Low	32·5	45·5	22·7	32·7	43·3	61·7	15·1	21·7	88·8	145·3	121·3	192·8	151·7	244·7	182·3	294·7
		High	43·3	62·8	34·7	50·0	48·7	69·3	30·3	43·3	88·8	145·3	121·3	192·8	151·7	244·7	182·3	294·7
Chevrolet car	One	Low	733·3	656·0	533·3	546·7	786·7	786·7	240·5	240·5	1,748·0	1,748·0	2,339·7	2,339·7	2,973·9	2,973·9	3,126·7	3,632·7
		High	733·3	656·0	533·3	546·7	786·7	786·7	240·5	240·5	1,748·0	1,748·0	2,339·7	2,339·7	2,973·9	2,973·9	3,126·7	3,632·7
Lumber	1,000 board feet	Low	116·7	.....	116·7	.....	116·7	.....	116·7	.....	186·7	.....	163·3	.....	116·7	.....	0·0	.....
		High	630·0	.....	630·0	.....	746·7	.....	618·2	.....	385·3	.....	396·7	.....	350·0	.....	0·0	.....

I should now like to deal with the third point which I proposed to consider at the outset of my remarks, namely, the decision of the government to direct the board to make a thorough and complete investigation of the inequalities in freight rates in Canada.

Section 314 of the Railway Act deals with equality as to tolls and facilities. The section in effect says this, that there should be equality as to tolls with respect to all traffic carried under substantially similar circumstances and conditions, and that no tolls shall be charged which unjustly discriminate between different localities. The two principal considerations governing the board are one, as to the reasonableness of the rate *per se;* and two, whether or not there is a feature of unjust discrimination. In that respect may I be allowed to state that in Canada we have four different grades or steps in the freight rate structure. First there is the maritime rate in preferred territory; second, the competitive rates of Ontario and Quebec; third, the prairie rates in Manitoba Saskatchewan and Alberta, and fourth, the mountain scale or Pacific scale of rates. I need not define these—the house is fully conversant with them. But why is it that freight rates are somewhat higher in some areas than in others? The reasons will be found in 33 Canadian Railway Cases, page 127. This is an extremely important and extensive judgment—

Mr. GREEN: What date?

Mr. CHEVRIER: 1927. In that judgment will be found the reasons for these discrepancies. The reasons are so extensive that there is not time in a debate such as this to go into them fully. But let me say briefly, and speaking generally, that the general level of rates in eastern Canada on general merchandise and other commodities is somewhat lower than in the prairies and in the so-called Pacific area, namely, west of the Crowsnest, British Columbia, Canmore and Edson, Alberta, the rates are somewhat higher than on the prairies. There are, however, numerous exceptions with respect to various special rates which have been published. Lower rates in eastern Canada are compelled by water competition, a combination of water and motor truck competition, as well as rates established by the United States lines. The different rates have been brought much closer together under various decisions of the board at different times since 1914.

In 1925, in the decision referred to a moment ago, the board undertook a complete investigation, the largest one of its kind, into the rate structure in this country. This lasted for two years, and a decision was rendered in 1927. Some mention has been made in the house of the time it will take for the board to complete this investigation. In order that there will be no further misunderstanding on this question may I say that I conferred with the chief commissioner of the board and asked him how long in his opinion it would take to complete this investigation. He said that because of the circumstances which had changed in the economy of this country from the time that the judgment was handed down in 1927, it would require an absolute minimum of six months in which to complete the investigation, and that it would probably be completed within a year.

I have this further to say as to the time within which the board can dispose of the investigation into inequalities. Just as soon as the provinces have indicated their readiness to submit their case to the board, the board will move immediately to the region or the province which is ready to present its case. I am informed, I believe reliably, that already in the province of Alberta preparations have been made for a presentation to the board—preparations extending over a period of several months and in fact almost a year.

The charge has been made that while the investigation is being carried on the people of this country will have exceedingly high rates inflicted upon them. I believe it was the hon. member for Lethbridge (Mr. Blackmore) who said that the rates would be exceedingly high, and I believe the hon. member for Rosetown-Biggar (Mr. Coldwell) used the expression "unusually high", because of the inequality. Does the hon. member for Rosetown-Biggar know of any group, any individual, any association, any board in any province which, in the last twenty years, or since the decision of the board in 1927, has signified any intention to the board of making an application to it to do away with inequalities?

Mr. COLDWELL: I know there has been constant criticism of the inequalities from boards and all other sources.

Mr. CHEVRIER: There may have been constant criticism—

Mr. COLDWELL: And may I say it was in every brief presented by the various governments.

Mr. CHEVRIER: There may have been criticism, but the point is, has there been an application? And really, if there has been criticism without the application, the board could not be seized of the inequalities. Let

me quote from page 44 of the judgment of the chief commissioner. He states:

What was presented to us was, to a considerable degree, of a generalized character. Many of the rate features covered by the submissions made at the regional hearings were referred to as being of long-standing unfairness and unjustly discriminatory, but it is somewhat significant that since 1927, when the last general freight rates investigation was concluded, not one of these matters has been made the subject of a formal application or complaint to the board.

The board is of the opinion that if the interested parties desire to have these questions dealt with under proceedings upon complaint, they should be handled in accordance with the board's rules and regulations and more specifically in accordance with rules 2, 3 and 4 thereof.

It is, of course, obvious that these matters would require to be very fully explored in a separate investigation involving much study and most complete evidence from all interested parties. There would require, among other things, to be special surveys made of actual traffic movements in various regions as well as with respect to railway operating costs in such regions. While many of the subjects presented in this case have been considered and dealt with in the past, it may be that since that time, which was many years ago, there have been such changes with respect to some of these matters that upon further investigation it would be found that there should be some changes made in the rate structure along the lines suggested in what was put before the board.

I have already put on the record in this house, but I think I should again record, the statements made by counsel for the various provinces, who made it quite clear that they did not desire this investigation to be made one for the removal of the so-called discrimination or inequalities.

Counsel for British Columbia stated, at page 57 of the chief commissioner's judgment:

This is not an application for the removal of the mountain differential by British Columbia. Our role is quite clear; we say there should be no increase in rates while the present inequality under which our people have been suffering remains. Removal of the mountain differential is something which must be brought up by a substantive application which, when our preparations are complete, I propose to launch.

Counsel for Alberta stated:

We are not here now petitioning for the removal of the mountain differential nor to be relieved from discrimination which results from transcontinental rates.

Counsel for Manitoba stated:

We have heard considerable evidence on this question of mountain differential; and aside from the argument, I do not think that this board has before it at the present time evidence upon which any finding could be made. That, I submit, would have to be a matter of investigation.

Coming back to the charge made by the hon. member for Lethbridge and the hon. member for Rosetown-Biggar, that the effect of this judgment will be to make freight rates exceedingly high in this country, the answer is to be found in the chart which I tabled a moment ago, and also in this statement. Does the hon. member know that the average revenue per ton mile in Canada has always been lower than that of any other country in the world? It now stands at less than one cent per ton mile, with no increase having been granted since 1920, although substantial increases have been granted in the United Kingdom and the United States.

One cannot lose track of the fact that the last general rate increase was granted to the railways back in 1920 and the last general freight rate investigation was completed in 1927. Considerable development has taken place in Canada since that time. During those twenty years the railways of this country have had to cope with exceedingly difficult conditions. They were faced in the twenties with highway competition, then they went through the depression, which lasted nearly ten years, and everyone will agree that the war effort of the railways was tremendous and contributed in no small measure to Canada's share in the final outcome of world war II.

It should, it seems to me, be a source of great satisfaction to the citizens of this country that the railways were able to stand these economic upheavals without any increase in freight rates. It is only since 1946, when the increase in costs became greater than the increase in revenue, that the railways were forced to apply for a revision in their freight rates.

The hon. member for Rosetown-Biggar suggests that this increase should not be allowed to go into effect. I wonder if the hon. gentleman has considered the implications of such a decision. I wonder if he has realized that the net result of such a decision would unquestionably lead to amalgamation of the railways. I wonder if he has given consideration to the fact that, with the deficit of the Canadian National Railways as it now stands at $15,000,000, and with what will be required if this increase is not allowed to go into effect, namely, $25,000,000 or $30,000,000, this house will be called upon to vote somewhere in the neighbourhood of $45,000,000 to $50,000,000 to meet the deficit of the Canadian National Railways. I have no brief for the other railway, but in fairness I think it should be stated that were it not for the other income mentioned in its annual

report that railway would be short by no less than $30,345,000 in meeting its requirements.

If that is the situation in reference to the two railways and the house should be asked to vote such a tremendous sum for the National Railways, does it not follow that if the judgment is not allowed to go into effect the Canadian Pacific Railway will be placed in a deficit position and will eventually have to go into liquidation, and that in effect and in the end this will mean the amalgamation of the railways?

Mr. COLDWELL: Not at all; not necessarily.

Mr. CHEVRIER: My hon. friend cannot argue himself out of that position, which I think follows logically from the request he makes.

Mr. COLDWELL: It does not follow.

Mr. CHEVRIER: Does any hon. member of this house think that is a desirable thing, that we should have railway amalgamation in this country? I doubt if any hon. gentleman would take that position.

Now I want to say a word about the contribution to the debate by the hon. member for Calgary West (Mr. Smith). The hon. member has made many excellent contributions in this house, and he has made some that were not so good. In fairness to him I have to state that his was really a constructive contribution to the debate. He attempted to deal with the matter not from the political but from the economic angle; and he dealt with two of the very serious sore spots in his part of the country, the mountain differential and the transcontinental rate. As the house knows, the mountain differential is brought about by the fact that in calculating rates, one mile in the mountain region is equal to one and a quarter miles in the prairie region. Here let me pause for a moment to state what has been done in the past with respect to the mountain differential. It used to be that one mile in the mountain area equalled two miles in the prairies. Following various investigations conducted by the board from time to time, that was reduced until now a mile and a quarter on the prairies equals one mile in the mountains. By virtue of at least two decisions of the board that differential was reduced first from two to one and three-quarters and then from one and three-quarters to one and one-quarter miles. The judgment of the board in 1927 dealt with that very matter, and that judgment is specific as set out in 33 Canadian Railway Cases, at page 127. Since that time economic conditions in this country have changed materially, as no one knows better than hon. members who come from the British Columbia and prairie regions. Since conditions have changed it may well be that when the board of transport commissioners ends its investigation it will come to the conclusion that having regard to all the circumstances, including the changes in the economy of this country, the time has come when the mountain differential should be made to disappear altogether; and if that should be the decision I am sure no one will have any fault to find with it.

The hon. member for Calgary West also dealt with the matter of the transcontinental rate, which, as is well known, was established to compete with water transportation via the Panama canal. The hon. member suggested that perhaps a remedy could be found by virtue of the decision in the Spokane case. I have considered that decision with the officers of my department, and I am informed that it is no longer in effect; that it has been eaten away by various exceptions and provisions, and that because the general effect of the decision has been reduced by those provisions and exceptions in various judgments of the interstate commerce commission it could not be made to apply with equity to Canada, because if any attempt were made to apply it here it might well result in a benefit to one region but a great disadvantage to another.

One hon. member suggested the appointment of a royal commission, and I think it was the hon. member for Calgary West who said that in his opinion some other body should undertake this investigation. I say to the house that if we were to appoint a royal commission or other body to investigate the inequalities of the freight rates structure in Canada this is what would happen. The royal commission or other body would come to the government and say, "We are ready to proceed with the case. Give us the technical assistance; give us the experts." We would have to reply, "We know of only two groups of people in this country who are able to give you the technical evidence and assistance you require, and those two groups are to be found in the board of transport commissioners." Those groups are, first, the bureau of economics of the board of transport commissioners, and second, the traffic experts of that board, the one composed of a personnel of forty and the other of a personnel of twenty. That being the case what would be the use of asking four, five or six men, not nearly as conversant with this question as are the members of the board of transport commissioners, and who to my mind would not have the same knowledge of the circumstances as the board, to carry out such an investigation? I say to the house

therefore that the members of the board, four of whom are from provinces other than Ontario and Quebec, are better qualified and equipped to deal with this question than would be the members of a specialized board or commission of some kind or other.

I return to the point made at the outset, that in 1903 parliament vested in the board the duty and responsibility of fixing rates for this country. To take that responsibility away from the board set up at that time I do not think would be a step in the right direction.

In his contribution to the debate the hon. member for Vancouver East (Mr. MacInnis) said at page 2656 of *Hansard*:

> As I understand the question in British Columbia, it is not that we object to an increase in freight rates if that increase is necessary, but we object to the fact that the decision made at this time perpetuates freight rates which we have considered for years to be inequitable. That is the point.

And a little later on:

> Let me say again that, as I understand the position of the people of British Columbia, they are not opposed to an increase in freight rates as such. They are opposed to the maintenance of an inequitable freight structure.

Is that not exactly what we are doing? Is that not exactly the decision of the government? It has declined to stay the order, for the reasons mentioned; and it has ordered a thorough and complete investigation into the rate structure by the only body competent and efficient to deal with it immediately and with dispatch.

It has been said that this board has not the powers to deal with the matter of the investigation ordered by the government. I say to the house it has. There are contained in the various sections of the Railway Act all the powers required by the board of transport commissioners to make a thorough and complete investigation of the freight rate structure. In fact, in conversation with the chairman recently, I was informed by him that he was of the opinion—and so did his brother commissioners—that there was nothing in the Railway Act which hampered them in any way in dealing with the inequalities or the so-called discrimination which may exist in this country. What use would there be in further defining the powers of the board, in further instructing or directing the board as to what they should do in the investigation, if they themselves are of the opinion that they possess all the power that is required to remove these inequalities?

The same position obtains so far as the maritime provinces are concerned. That is why I submit it is impossible to make a decision over night—in a week, a month, or two months —in a case of such importance; because if the board were to move to British Columbia and dispose of one matter there without weighing the position in the maritimes, I submit with deference to the house that the board could not then render a decision which would seek to equalize the freight rates from one end of the country to the other.

One must keep in mind the fact that there are two statutory rights having to do with freight rates. The first is the Crowsnest Pass agreement, which this investigation will not touch, and those will remain as they are. The other is the 20 per cent subsidy under the Maritime Freight Rates Act, in the territory east of Levis, which also will remain as it is, by virtue of this investigation.

Mr. SMITH (Calgary West): They are statutory rates.

Mr. CHEVRIER: As the hon. member says, they are statutory rates.

Mr. SMITH (Calgary West): Parliament alone can deal with them.

Mr. CHEVRIER: And they cannot be interfered with without an amendment to these statutes. But what I wanted to make quite clear was that there would be no misunderstanding with reference to the investigation.

I believe I have almost completed what I had intended to say. It has been suggested to me that perhaps I have omitted one pertinent feature in the discussion, and that is the application made by the brotherhoods for a wage increase. That is where my friend, the leader of the C.C.F. party, has placed himself in a most anomalous position.

Mr. COLDWELL: Not at all.

Mr. CHEVRIER: On the one hand he seeks to protect or to defend the farmers of the prairie provinces from an increase, by asking the government to refuse to allow the increase to go into effect. On the other hand, what is his position with respect to the members of the railway brotherhoods? What is the position of the railway employees? I deal now only with the increases granted in the year 1947.

Mr. COLDWELL: Has the minister read the reference from the conciliation board? The railway brotherhoods recognize that this has nothing to do with it, and the C.P.R. says it requires all the revenue for purposes other than wages.

Mr. CHEVRIER: I say to the hon. member that because of his attitude he has placed himself in a disastrous position.

Mr. COLDWELL: Oh, nonsense.

Mr. CHEVRIER: I say that, fully conscious of the fact that you cannot say to one section of the country: You are not to have an increase, and to another section: You must get the benefit of the judgment.

Mr. COLDWELL: We want both to have justice.

Mr. CHEVRIER: I have realized that since this debate started, because no one has been flooded with more telegrams than I have from members of the province of Saskatchewan. And this indicates to me that there is some attempt to make a political issue out of this question.

Mr. COLDWELL: Is that what the minister is attempting to do now?

Some hon. MEMBERS: Sit down.

Mr. COLDWELL: I am asking, is that what the minister is attempting to do now?

Mr. CHEVRIER: I told the hon. member when I rose in this debate that I wanted to be frank and honest about the position, and I did not intend to make a political speech.

Mr. COLDWELL: Oh, oh.

Mr. CHEVRIER: So far I have not made a political speech.

Mr. COLDWELL: You are making it now.

Mr. CHEVRIER: All right; my hon. friend has prompted me by his interruptions into stating that if that is not the case, why is it that all these telegrams come from one province and do not come from another?

Mr. COLDWELL: I cannot tell you that.

Mr. CHEVRIER: Well, if my hon. friend cannot tell me, surely I am entitled to say to the house why I think they come from that province.

Mr. COLDWELL: Our people are wide awake. Where is Tucker?

An hon. MEMBER: What a broken political arm!

Mr. COLDWELL: That is Mr. Tucker.

Mr. SPEAKER: Order.

Mr. ROSS (Souris): Succour for Tucker.

Mr. COLDWELL: Tuckered out.

Mr. CHEVRIER: There have been said in this debate many things which might well have been left unsaid.

Some hon. MEMBERS: Hear, hear.

Mr. CHEVRIER: I am referring in that statement to the talk of secession.

[Mr. Coldwell.]

Mr. COLDWELL: You have not heard us say that.

Mr. CHEVRIER: I have not said so.

Mr. COLDWELL: Don't point at us, then.

Mr. CHEVRIER: There has been much said about secession.

Mr. COLDWELL: Not by us.

Mr. CHEVRIER: I make this statement now: I grant immediately that there is no question which can divide the country any more easily than this one can. There was a time when we in this country were divided by racial and religious issues. Fortunately members of parliament have cast that to one side and have placed reason far above passion and emotion. If this particular question is not dealt with in that light, unquestionably it can divide our country. Any hon. member who attempts to make a political issue out of this question is to my mind doing a disservice, not only to himself but to his country.

This is a motion to go into supply, and my hon. friend has decided to move an amendment to the motion in order to expound a grievance, something which he has a perfect right to do. But I submit that before that grievance was expounded the government had made the grievance disappear by ordering a thorough and complete investigation into the railway freight structure by the only board competent and efficient to deal with the question. The government has moved to have the situation righted by this investigation.

The only consistent thing to do is to adopt the position that that board is the proper body to fix rates, that that board is the proper body to eliminate so-called discriminations and inequalities. The only logical course the government could adopt in the light of all the circumstances was to take the step which it did take. For these and other reasons which I have mentioned during the course of my remarks I submit with deference that the house should vote confidence in the government.

Mr. JOHN BRACKEN (Leader of the Opposition): Mr. Speaker, a few days ago the board of transport commissioners made a report. It recommended a horizontal increase in the freight rates of this country of 21 per cent. The government then took steps to see that that recommendation was put into effect.

On Monday, April 5, a motion was moved in this house for leave to adjourn in order to discuss a matter of urgent public importance, namely, this question of freight rates. The discussion continued until the hour of adjournment.

On Wednesday, two days later, following criticisms which had been made, the government announced a change in policy and said that there would be a further investigation into the inequalities and discriminations in the freight rates of this country. On the same day on the motion to go into supply the matter was further discussed, until adjournment at six o'clock. In that discussion the hon. member for Rosetown-Biggar (Mr. Coldwell) moved the amendment which is now before the house. Today we are considering the matter again.

We have just now heard from the Minister of Transport (Mr. Chevrier) who dealt with three phases of this question, the responsibilities of the governor in council in respect to freight rates, the decision of the board recommending the increase, and the decision of the government to have the board further explore freight rates. I should like to make a brief comment with respect to each of these points.

First, as to the decision of the board. The minister said that application had been made by the railways for an increase in rates to cover increased costs and expenses, and that it was purely a matter of revenue that was referred to the board for consideration. He said that there was no application for the consideration of inequalities and discrimination. My criticism, our criticism and the country's criticism is that the government did not appreciate and deal with these inequalities and discriminations before this and did not take steps to see that they were removed.

In connection with the responsibilities of the governor in council with respect to freight rates, the minister went back for more than forty years, to the time prior to the appointment of an independent board dealing with these matters. He pointed out that now we have an independent board; that it is not now the responsibility of the governor in council to determine detailed matters of rate increases, that theirs is more a judicial capacity and that it is the responsibility of this so-called technical and certainly independent board to deal with details of freight increases.

The minister said that the government had never interfered with the board's responsibilities in that respect. I am speaking now from memory, but I have a recollection that more than twenty years ago—if I remember correctly, in 1925—we did have a serious fight with the government of the day in connection with interference with the statutory rates known as the Crowsnest Pass rates. I heard the minister refer to this only a few moments ago, and I have not all the details in mind; but my impression is that there was interference by the government at that time with respect to statutory rates and that it was a long-drawn-out fight which resulted finally in the rates being retained for the interests of the people of western Canada.

Mr. GARDINER: 1920, not 1925.

Mr. BRACKEN: I am speaking of the action of this government in 1925. I was not premier of Manitoba in 1920, and I was premier of that province at the time we had this fight over the Crowsnest Pass rates. My recollection is that it was 1925.

Mr. GARDINER: They put them back at that time to where they were before.

Mr. BRACKEN: In connection with the responsibilities of the governor in council the minister said that they would now consider a petition of the provinces for a stay of the application of this rate if they asked it. I gathered that that was what he said.

Mr. CHEVRIER: May I say just a word? What I did say was—

Mr. DIEFENBAKER: You would not allow anyone to interrupt you.

Mr. CHEVRIER: If the house does not want to know—

Mr. DIEFENBAKER: You did not allow it.

Mr. DEPUTY SPEAKER: With the permission of the leader of the opposition.

Mr. CHEVRIER: I do not like to say "correct" the hon. gentleman, but I should like to say to him that that is not what I stated. What I stated was that we had considered the application to stay the order, and that we would consider an application for appeal when it would come to us. We have not received it, but we have received notice of intention.

Mr. BRACKEN: I am glad the minister got up to speak. What he says now is that they did consider the application. What I want to point out is that they turned it down.

Mr. KNOWLES: By order in council.

Mr. BRACKEN: Yes, by order in council. The minister is now apologizing and saying: Well, we made a mistake; now that we know better we will consider an appeal if they make it.

I have here a copy of the order in council the government passed. It might as well be read now. I quote:

P.C. 1486

Certified to be a true copy of a minute of a meeting of the committee of the privy council, approved by His Excellency the Governor General on the 7th April, 1948.

April 7—That was the very day the amendment was moved in this house. The order in council goes on:

The committee of the privy council have had before them the petition of the transportation commission of the maritime board of trade (representing, inter alia, the governments of the provinces of Nova Scotia, New Brunswick and Prince Edward Island), and representations on behalf of the governments of the provinces of Manitoba, Saskatchewan, Alberta and British Columbia to vary order No. 70425 of the board of transport commissioners for Canada of March 30, 1948, by providing that tariff schedules published and filed under the provisions of the said order be not effective until at least thirty days from the date of the said order.

The committee of the privy council, having given due consideration to the said petitions and representations, are unable to advise that the said order of the board of transport commissioners for Canada be varied in the sense requested.

(Signed) A. D. P. Heeney,
Clerk of the privy council.

My point is that application was made by seven provinces, that the government considered it and turned it down, and only now, after long discussions in the house, does the government come forward and say that if they receive a petition for a further appeal they will give consideration to it.

I want to deal with one other point in this connection. When the minister was speaking of the decision to have a full investigation made of the freight rate structure, he made the statement that if the amendment now before the house moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) were passed, it would result in denying to the railways any further revenue by way of increased freight rates, and he implied that if that were the fact there could be no other result than that the railways in Canada would have to amalgamate.

Mr. COLDWELL: I did not imply that.

Mr. BRACKEN: I did not say the hon. member did; I said that was the minister's implication. I wish to say here that, so far as this party is concerned, we are opposted to amalgamation and opposed to any conditions which would bring about amalgamation. We feel that this country is better served by having one privately owned railway and one publicly owned railway. We think one will check the other. We think that the privately owned railway will check any tendency toward extravagance on the part of the publicly owned railway, and we think that the publicly owned railway will tend to check arbitrary decisions and any danger of exploitation by way of rates or otherwise by the privately owned railway. We think we are better served the way we are—by two railways rather than by a railway monopoly.

In what I shall have to say now, I wish to look at this question from as broad a point of view as possible. Here are two great railway institutions serving this country. They are very important to our economy and emphasize the necessity of dealing with measures such as this as wisely as it is possible for human beings to deal with them. Canada is a land of vast distances, with diversified resources which are widely scattered, and with a sparse population in relation to its wide extent of territory. The combination of these circumstances has created a dependence upon communications, especially railway communications, unequalled in any other country in the world. With our small population scattered over a vast territory the railways are a basic element in the economic life and development of a nation.

Each of the economic regions of Canada is rich in its own particular type of resources, but is largely dependent on the other regions for the rest of the needs of life, and for markets. Practically everything that we eat and use and produce must be transported, generally over a vast distance. Matters affecting transportation have therefore a direct and enormous impact on the daily life of every Canadian. It is not surprising therefore that people of so many parts of Canada are gravely concerned in any measure affecting freight rates. Freight rates are an important factor in our standards of living and in determining our competitive power in domestic and world markets. The very existence of our whole industry and the lives of millions of Canadians are profoundly affected by any sharp increase in freight rates.

The railways themselves are similarly affected by these vast distances, and they have their cost of living problem the same as the rest of us. There are three great areas which are relatively deserts to the railways so far as revenue-producing traffic is concerned, producing only a relatively small amount of business. One of those areas is the long circuitous route from the maritime seaboard in the east to the cities in the St. Lawrence valley. Another is the long stretch over the Canadian shield north of the great lakes, and the third is the great height and great expanse of the Rocky mountains. These areas must be traversed, and it costs as much—or more—to operate the railways through them as it does in populous regions where substantial revenues are derived.

There is also the question of the numbers to be served by the railways. In Canada there

are barely 200 persons to every mile of railway tract, as against more than 400 persons per mile in the United States and 2,000 persons per mile in the United Kingdom.

Further, the cost of railway operation has been steadily rising. The deadly work of inflation has not spared our railways. When we promote or cause to be developed a state of affairs in which the cost of living rises by fifty per cent, it is not conceivable that these great industrial organizations can carry on their operations without increasing their revenues at least to some extent.

In 1940 the combined gross revenues of the two principal railway companies, as the minister stated, was some $384 million, from which a net revenue of $80·5 million was obtained. But in 1947, seven years later, a gross revenue of $693 million, produced only $71 million in net revenue before fixed charges, income tax and dividends. In other words an 81 per cent increase in gross revenues resulted in 1947 in a 12 per cent decline in net income. Ultimately the Canadian National Railways showed a loss of $15·8 million, and the Canadian Pacific Railway had an income of some $318 million and an expenditure of $295 million. But it is reported that even this road would have had a loss of $4·1 million had it not been for "other income" not accruing from railway operation.

I am not quite certain of all the details but I think what I shall have to say as to railway wages is substantially correct. There was a cost of living bonus granted to employees early in the war. In any event, early in 1944 this was absorbed into a wage increase. This added charge amounted to an increase of $36,000,000 a year to the railway companies. In 1944 also there was a wage increase of six cents an hour to substantially all employees, and it was dated back to September, 1943. That increase resulted in a $24,000,000 a year wage bill to the railways. On June 1, 1946, a little less than two years ago, another increase of ten cents an hour was granted. This created a further charge of $37,000,000 a year on the expenditures of the two railroads. At the present rate of employment, therefore, the two railways are paying about $97,000,000 a year more than the same number of workers would have received before the war. Roughly it would appear that they have received on an average about twenty-five cents an hour increase. But the cost of living, as compared with pre-war days, has gone up 50 per cent, while the average wages of railway employees it would appear have gone up only some 33 per cent. That last figure is just an approximation; some say it is 40 per cent. Under such conditions of increased cost it is beyond question that the railways require an adjustment of their financial position if they are to stay in business and to provide Canada with the efficient service which is essential on economic, political and strategic grounds.

What has been done in the circumstances, and what will be the consequences of present actions? The board of transport commissioners have ordered a 21 per cent general increase in freight rates. It is estimated that this will give the Canadian Pacific Railway an increase of $30,000,000 in revenue and the Canadian National about $40,000,000. One of the consequences is, as the evidence strongly suggests, that even this will not give them sufficient revenues to meet their needs. The railways have stated that nothing less than a 30 per cent increase will meet their needs. That is their position. We do not need to accept that statement without examination. Anyway, that is their statement. Within the board itself there was a doubt, reflected in Commissioner Wardrope's recommendation of a 24 per cent increase. Finally, Mr. A. R. Mosher, president of the Canadian Brotherhood of Railway Employees, has stated that the 21 per cent rate increase is not adequate to provide for necessary wage increases.

We may say that the views of the railways on the one hand and the views of Mr. Mosher on the other are one-sided or possibly prejudiced views; but I mention them for what they are worth. In any event it must be remembered that also concerned in this issue are 180,000 railway employees. These working men and women have had no adjustment of wage rates since June of 1946. Yet since that date the cost of living index has risen 27·2 points over the 1938-39 average, and the food index has gone up 43·8 points during the period when they have had no increase. Clearly this aspect of the matter deserves immediate and most careful consideration.

Finally it is entirely possible that the increase in rates will result in a falling off of traffic. Even the railway officials themselves do not like having to do this, and yet under these conditions, in order to pay for the goods they buy and pay the wages they have to meet, an increase has had to be asked for. But in asking for it they recognize that the higher the rates are the more it tends to discourage traffic.

Finally, it is entirely possible that the increase in rates, as I have said, will result in falling off of traffic, thus reducing actual revenue below the 21 per cent increase which is assumed. If, then, the financial needs of the

railways and their employees are not met, what is the effect on the rest of the country? If it does not fully meet that need, we might look at what is the effect elsewhere.

First, a general flat increase on all rates serves to intensify the discriminations that now exist and to increase the inequalities which exist in our freight rate structure. It is as simple as this, Mr. Speaker. If over there in one area there is a high rate and over here in another area there is a lower rate, and you put 21 per cent on that high rate and 21 per cent on the low rate, you get a bigger increase over there than over here, and you intensify and increase the discrimination rather than lessen it.

What are some of the discriminations? One might mention a few that have been brought prominently before us. There is the mountain differential, which bears so heavily upon industry and the consumers of British Columbia, a western province, separated from the rest of Canada by the Rocky mountains. One of our railroads has to go up over a hill a mile high to carry all its freight from one section of the nation to the other. The other railroad has to go up two-thirds of that distance. It is because of that condition that high rates result.

It is said by some that the Canadian Pacific Railway was forced to take the southern route for political reasons. I do not mean "political" in the narrow sense; I mean it in the large national sense. It is said that they planned to go through the low passes of the north, the Yellowhead region, where the Canadian National Railway now goes through, but that it was government policy to see that the railway came down further south and went through the Kicking Horse pass west of Calgary. It is said that that was done in order to keep United States railway interests from getting into southern Canada and eventually having larger sections of what is now Canada tacked on to the United States. If that was so, and to the extent that it was a political decision, then the nation should bear that cost and it should not be left as a burden upon one or two of the nine provinces of Canada.

Among these inequalities, as I have said the mountain differential bears heavily upon the industry and the consumers of British Columbia. Then there is the heavy burden in the Alberta rates—Alberta, a long way from eastern Canada and separated from the west by the Rocky mountains. Someone has said that Alberta is at the apex of the rate structure in Canada. These rates bear more heavily upon that province than perhaps any other province of the dominion. The Crowsnest agreement

sought in part to overcome that handicap. This was an agreement entered into many years ago, an agreement by which the railway accepted some $3,000,000 from the government of Canada in connection with the construction of a railway into the Crowsnest pass. In return it undertook, wisely or unwisely, certainly unwisely from the point of view of the railroad, but wisely from the point of view of the people of western Canada, to give low through freight rates on the grain produced in that area. That is the agreement I referred to a little while ago. In 1925 we had to fight for its preservation.

Another of the inequalities was in connection with the maritime freight rate concessions. Ever since confederation the maritimes have been fighting because of the increased burden of freight rates on their economic life. The maritimes were once the most prosperous parts of Canada, but when the nation became centralized after confederation, industries started leaving the extremes of Canada to come to the centre. Then the burden of freight rates became unduly heavy on the maritimes, and as long as I can remember they have been fighting to get a better deal and they have been given it to a degree. Now in the maritimes they have a 20 per cent concession in freight rates. That is one of the inequalities, and in the effort to correct other inequalities we must take steps to see that this concession is not lost to the maritimes.

Secondly, in addition to the specific hardships I have just mentioned, the substantial increase in freight rates will have several important effects on the nation as a whole. I have stated quite frankly that under conditions where the cost of living goes up 50 per cent, and the cost of goods goes up 50 per cent, no industrial concern can get along without increased revenues. If the plans proposed do not succeed in meeting the needs, what then is the general effect on the nation? How much better off would we be if we could avoid it?

First, these increased rates will increase the cost of living. It is estimated that even butter, which we heard so much about, will be a cent a pound more, meat two cents more, eggs one or two cents a dozen more, sugar one cent per pound more, coal twenty-five cents a ton more. The last is specifically provided in the recommendations approved by the government, and prices in the maritimes, the prairies and British Columbia will be higher.

Second, it will increase the cost of production. The figures I have here are taken from one of the financial papers and I do not vouch for them. Steel will go up from $1.47 to $1.75,

fuel by twenty-five cents a ton, and building and other materials in varying amounts.

Third, it will decrease our competitive power in world markets, because the higher our costs rise as a result of railway freight rates the less will be our competitive power in world markets. For example, aluminum will possibly be a cent a pound more and newsprint $1.40 a ton more.

Fourth, it will increase the exchange problem by diverting purchases of the maritimes and British Columbia from Canadian suppliers, who must ship by rail, to foreign producers, who can deliver by sea. Canadian-produced machinery and equipment will be a little further out of reach for the men of the prairies.

Fifth, it will cause the further emigration of industries from the maritimes, thus de-industrializing the region which it is most important should be industrialized further in Canada.

Sixth, it will cause the further departure of farmers from the prairies, thus tending further to depopulate the region which most needs a heavy increase in population.

One of the distressing features of the development of our Canadian economy, particularly in recent years, has been the tendency of the west not to grow in population, the tendency of the central parts of the prairies to become less in population. Some of the figures I have show that it is less in some parts than it was ten years ago; and that condition is being perpetuated by the policies of the government—policies affecting livestock, which are driving people out of livestock production in the west, and policies of the government with respect to the price of wheat in preventing its being sold to advantage.

The policy of the government with respect to freight rates results in these being increased where they are already too high. As evidence of all this, the average farm in western Canada is reported now to be more than 400 acres, nearly twice as much as it was when I first went there nearly forty years ago. With the way things are going, it will not be long until the average farm in the prairies is twice 400 acres. I say that because it is almost impossible to get farm labour; often those who can be got are not too well trained for the work, and the farmer has to compete with the cost of labour in urban industry. With these conditions facing the farmers, they find that it is more economical, and that they can make more money, by using large and heavy machinery, thus needing fewer people to farm the land, while at the same time farming more land. That has been the tendency over the last forty years, and under present conditions it will continue.

These ill consequences are not the fault of the board of transport commissioners. By their terms of reference they are required to consider only the position of the carrier petitioning for an increase in rates. These great economic, social and political issues were not their responsibilities. The responsibility for the issues affecting the welfare of the nation falls upon the government, and upon the government alone.

I am referring now to the responsibility of the government in dealing with these major issues, and not with the detailed issue of determining whether a rate should go up five cents here or down three cents there. It is proper that that responsibility should be left with the technical board, and that a political institution such as this should not be charged with the responsibility of fixing these rates. If we ever get back to that state of affairs it will be a serious day for Canada. But when I say that, I say equally that the government cannot avoid its responsibility for meeting these major questions that are before us.

I repeat, the responsibility for the issues affecting the welfare of the nation falls upon the government and the government alone. The action which has been taken is not an adequate solution of the problem. It tends to accomplish one thing at huge economic costs and creates still further inequalities in the process.

The government has denied without a hearing the pleas of seven provinces. I read its own order in council denying those pleas. The government has allowed no stay of these increased rates to give time for a removal of discriminations. The government has allowed a situation to develop in which it is made to appear that the railways are pitted against the people. The only suggestion the government has to offer is a long investigation. A few days ago it was suggested that it would be a year or two; today the minister suggested that it might be less. He has not been very specific about it, but it is a matter of a long delay during which time anything can happen to the railways, their employees and the public.

In this connection I wish to take a moment or two to deal with various discriminations, and I shall do so briefly. The discriminations and inequities that are claimed are many and varied. For example, the maritimes claim that reductions elsewhere, made by the railways to meet competition, have impaired—in fact, some of them say they have nullified—their 20 per cent differential granted by the Maritime Freight

Rates Act. Ontario claims, at least some people in Ontario claim, that their rates are unduly high in comparison, for example, with western grain rates. I am referring to those low through-rates achieved many long years ago by a bonus to one of the railways.

Alberta claims that, being at the apex of the transcontinental freight structure, the people there are victimized more than others in consequence of long-distance hauls. Alberta claims that through rates across Canada to Vancouver, put into operation to meet water competition via the Panama canal, enable goods in certain cases to be shipped by rail to Vancouver and back into Alberta more cheaply than they can be shipped direct to Alberta. That, of course, is a simple statement of fact. That is what the construction of the Panama canal did to the economy of Canada. It gave to both coasts economic advantages and a disadvantage to inland points.

British Columbia complains of the mountain differential. This higher rate simply means that the people of British Columbia bear an extra charge for the mountain haul. British Columbia also claims that freight rates on goods brought from eastern Canada, under compulsion of the tariff, are higher than freight rates on bought goods shipped from British Columbia to markets in eastern Canada, although there is no corresponding difference in haulage costs.

The Crowsnest agreement and the Maritime Freight Rates Act should be protected in any reference to the commission for further consideration of freight rates. The whole matter, however, is most complicated and deserves an impartial approach, one having regard both to local needs and to the national welfare. So I say the responsibility rests upon the government to deal with these major principles in connection with freight rates, but the detailed decisions with respect to smaller matters affecting rates should be left to the impartial and technical body we call the board of transport commissioners and its advisers.

The government's policies—its livestock policy, its labour policy, its marketing policy with respect to wheat, the decision to place oats and barley under a board which, by government decision, is not to get the best price it can for the farmers but rather to depress prices—all these tend still further to depopulate the prairies. I say in all sincerity that this vast agricultural empire, eight or nine hundred miles wide, is likely under present policies to see either a very slow increase or an actual decrease in population

[Mr. Bracken.]

in large sections. Such policies as these will tend still further to strangle industrial development in the maritimes and will hold back development in Alberta and British Columbia.

The 20 per cent freight rate concession to the maritimes should be preserved. The Crowsnest Pass rate should be preserved. In my judgment the mountain differential should be removed. The apex of freight rates is reached in Alberta. In this and related regions the rates should be examined with a view to possible adjustments. The board of transport commissioners is the proper body to deal with these matters; but the general principles should be settled by the government with the approval of parliament. Political bodies should not be asked to determine such details. That is why a while ago we objected to the appointment of a political body, in the form of the wheat board, to determine the prices farmers will receive in this country. We do not want political prices, and we do not want political rates. As I have said, the government should tell the commission to protect the rate concessions already won by the maritimes; to protect the concessions bought and paid for under the Crowsnest Pass agreement; to reconsider the situation where the apex of freight rates bears heavily upon certain communities in Canada, and to remove the mountain differential which so hampers the development of British Columbia and Alberta.

In the meantime the government should do one other thing. It should get off the backs of the people. Here we are with two great railway systems in Canada, one asking for $30,000,000 and the other for $40,000,000 in order to meet costs which are ever-increasing, due largely to government policies. They are asking for $70,000,000, while this year this government is collecting as much revenue as it collected in the highest year of taxation in the middle of the war. We do not know what amount was collected last year; the Minister of Finance (Mr. Abbott) knows and he will tell us when the budget comes down. It will probably show that our revenue was in the neighbourhood of $3,000 million, and that our surplus is seven or eight or nine hundred million dollars, or perhaps more. Here we have this government taking seven or eight or nine hundred million dollars from the people more than it is spending in services; then the railways come along and the government says, If you want more money go and put higher rates on the people and get your $70,000,000.

My proposal is that the government should get off the backs of the people and to a large

extent lessen the costs of running the railways. In this way the government could make it possible for the railways to meet their obligations without imposing such high freight rates. I say the government should reduce taxation, and in this way lessen to a great extent the impact of the freight rate burden upon the people of this country. This could have been done if the government had made, or if it will immediately make, a major reduction, particularly in the indirect taxation, which multiplies and pyramids upon itself, taking from the people of this country quite unnecessarily from fifteen per cent to thirty per cent or more in increased prices for the things they buy.

A hasty examination of such evidence as is available suggests that some $250 million to $300 million of the annual expenditure of the railways contains a substantial element of indirect taxation; and it also appears that the average rate of the indirect tax is not less than fifteen per cent and probably is much more. The lowest sum which might be saved to the railways by the removal or substantial reduction of these taxes would be not less than $30,000,000, and probably it would be much more. By removing some of these indirect taxes, if not all, or by at least lessening them, it would be possible by government action to reduce the need for a freight rate increase by probably one-half. Such a measure would be fully justified. It would not be a special privilege for a particular industry but the lifting of an intolerable burden from the whole nation, a burden which falls with the greatest severity upon those sections of the people least able to bear it. Canada is a nation which has been created out of a group of isolated communities linked together by steel rails. But it is not enough to "create" a nation; that nation also must be preserved and maintained, and we must ensure that the chief physical factor in our unity continues to serve us well.

Having regard to the views we hold in this matter, Mr. Speaker, I am going to move an amendment to the amendment. With much of what is said in the amendment I am in agreement, but it leaves open the question as to whether the requirements of the railways, in respect even of wages, will be met. I am not now criticizing the amendment, except on that point, which is not clear. This is the amendment I move, seconded by the hon. member for Vancouver South (Mr. Green):

That all the words after "this house" in the fourth line of the amendment be deleted, and that the following be substituted instead thereof:

"regrets the government's failure to secure the removal of inequalities and discriminations in the Canadian railway freight rates structure before the imposition of a horizontal increase of twenty-one per cent—an increase which is bound to intensify the aforesaid inequalities and discriminations; and

"Further regrets that the government has refused the reasonable request of seven provinces that the imposition of increased freight rates recently authorized by the board of transport commissioners be delayed for thirty days until they could be heard."

Mr. W. ROSS THATCHER (Moose Jaw): Mr. Speaker, first of all I should like to say that I was pleased this afternoon to note that the Minister of Transport (Mr. Chevrier) was much more conciliatory and much more humble than he was last Wednesday. Perhaps the Liberal caucus this morning had something to do with that.

On the other hand I wish to say—and I believe I speak for many westerners—that the minister's remarks this afternoon were particularly unsatisfactory, so far as we are concerned. I think he tried to befog the issues as best he could.

A little more than a week ago, as hon. members will recollect, the board of transport commissioners allowed this increase which was, with a few exceptions, a flat increase of 21 per cent across the board. Since that time, as the minister pointed out this afternoon, protests have been pouring in to the government. Some of them have been pretty violent protests, I think, particularly, from the outlying sections of this country. Those protests have come from producer organizations. They have come from farm organizations; they have come from city councils, and they have come from private citizens. I believe almost without exception, those protests pointed out—

Mr. MITCHELL: Did any come from labour organizations?

Mr. THATCHER: Possibly so. I shall come to that in a minute. Those protests pointed out that this decision, if it were approved, would increase a discrimination which was already unfair, and would perpetuate injustices which were already severe.

The announcement of the board of transport commissioners a few days ago aroused such resentment in the west, and in the maritime provinces, that those provinces protested to the federal government. They sent in an appeal to the federal cabinet, which was the only place where they could take such an appeal. All the provincial governments asked was that the increase be held up thirty days, until the seven premiers could come to Ottawa and discuss the matter themselves, with the government.

Surely that was a reasonable request. What was the minister's reply last Wednesday? I quote what he said, as reported at page 2717 of *Hansard:*

Without prejudice to any appeal, the government has decided that it should not interfere with the effective date of the board's order.

Was there ever a more abrupt; was there ever a more arbitrary; was there ever a more unreasonable reply, given to a legitimate plea? I think that, regardless of the merits or demerits of the case about which we are arguing today, the government has been guilty of shocking rudeness to the premiers of seven provinces. Knowing their wishes, and without even giving them the courtesy of a hearing, the government allowed these rate increases to be put into effect.

The minister uses the expression, "without prejudice to any appeal". I wonder if he is trying to kid someone. It is quite true that the premiers can still come to Ottawa; it is quite true they can still have their conference; it is quite true they can talk over the matter if they wish to. But the fact of the matter is that their appeal has been prejudged. The minister has already rendered his decision. He has allowed the rates to go up.

I believe every member in the house will concede that the conference, even if held, has been rendered futile in advance.

I say the minister's action was similar to that of a judge of an appeal court who renders a decision before he has heard the evidence. We hear a good deal today about the need for better dominion-provincial relations. I think the need for better relations in that field certainly exists. But surely the action of the Minister of Transport last Wednesday, when he rode rough-shod over the express wishes of those seven premiers, marked a new low in dominion-provincial relations. The people of those seven provinces are looking to this parliament today to rectify that blunder; and the failure of the House to Commons to do so could in my opinion have far-reaching consequences.

Why are these freight rates causing so much resentment in the maritimes; why are they causing so much resentment in the west? Is it because westerners feel that the railroads should not obtain additional revenue? Perhaps that is the answer in part.

It does seem to us that it is somewhat strange for the Canadian Pacific to ask such a large rate increase just after it has shown in its annual report a surplus of $47,000,000, the second largest in its history. Most of us are a little dubious about the contention of the two railroads that they need an additional $70,000,000 in order to balance their books.

[Mr. Thatcher.]

Yet most of us I think agree basically with the railroads when they say that the cost of railroading has gone up. We know that wages have gone up. We know that materials have gone up. We know that other costs have gone up. We know that at the same time the rates have stayed pretty well stationary.

In railroading, as in other business, if costs increase, then sooner or later prices have to go up. I believe it is in the national interest to have a railroad system which is efficient, and a railroad system which is financially healthy. And for that reason, while I query the amount, I do not argue basically with the contention of the railroads that they must have some extra revenue.

On the other hand I believe fundamentally that the method they are suggesting to obtain this additional revenue is discriminatory. I believe that it is unfair, and that it is contrary to the interest of certain sections of this country.

It is conceded by the railroads—I believe it is conceded by all hon. members—that over the past few decades, rates in the maritime provinces and in the west have been higher than those in central Canada. Originally the prairie scale of rates was 40 per cent higher than the eastern scale, and the British Columbia rates, in turn, were 100 per cent higher than those of the prairies. However, as a result of unceasing protests for forty years the prairie scale stands today about fifteen per cent higher than the east, and the British Columbia rate is about sixteen per cent above that of the prairies.

The judgment brought down last week ignores the fact that this heavy and unjust discrimination is already there. The recent decision of the cabinet means that for the first time in forty years, the west and the maritimes have lost ground in trying to obtain equalization of freight rates. So far as the prairies are concerned, the fifteen per cent discrimination now becomes eighteen per cent. That is our basic grievance. We can see no reason why we in the prairies, or in British Columbia, or in the maritimes, should pay rates which are higher than comparable rates in Ontario or Quebec.

A moment ago the Minister of Labour (Mr. Mitchell) asked about the attitude of labour unions in that connection. I say there is no great difference of opinion on this issue among C.C.F. members, whether they are farmers, or members of labour unions. I should like to read a statement issued only a few moments ago by Mr. A. R. Mosher, president of the

Canadian Congress of Labour and the Canadian Brotherhood of Railway Employees and other Transport Workers. The release states:

> Asked to comment on the alleged difference of opinion between the C.C.F. members of parliament and himself, as representing a large group of railway workers, regarding the twenty-one per cent increase in freight rates, Mr. Mosher said he felt that there had been a good deal of exaggeration in that respect. "It is true that I have supported the increase," he continued, "as being fully justified, in the light of present-day costs of operation, and, so far as I am aware, there has been no attempt by the C.C.F. to deny the need of the railways for increased revenue.
>
> Mr. Coldwell, on behalf of the C.C.F. asked for delay in the application of the increased rate for the purpose of dealing with alleged discrimination, which it is claimed will seriously affect the western and the maritime provinces. I am opposed to delay in this respect, but I am in full support of an examination of the whole rate-structure, with a view to removing any discriminatory features that may exist, and I share Mr. Coldwell's view that every section of Canada and the Canadian people should be fairly and justly treated.
>
> The fact, however, that there may be differences of opinion on specific issues does not affect the mutual confidence and respect which exists between the C.B.R.E. and the C.C.F., and I have no doubt that in each case such differences will be resolved in a satisfactory manner."

Mr. MITCHELL: I should like to ask a question.

Some hon. MEMBERS: Sit down.

Mr. MITCHELL: This is still a free country, I hope.

Mr. COLDWELL: There are still rules of order.

Mr. HANSELL: That is why he should be free to finish.

Mr. MITCHELL: My hon. friend stated clearly that Mr. Mosher was opposed to any delay in the increase in freight rates.

Mr. COLDWELL: Quite right; that is an honest difference of opinion.

Mr. THATCHER: That is just what I read.

As I said a few moments ago, it seems to me that the chief issue in this debate is very clear cut. Is confederation to be an association of provinces equal in every respect, or is confederation to be an association of provinces where seven provinces will receive treatment less favourable economically than the other two? Is the transport board, where freight rates are concerned, to treat some provinces as first-class provinces and others as second-class? That is the question before us today.

As a Canadian who comes from a western province, I ask for precisely the same treatment on freight rates as is given to the Canadian who comes from Ontario or Quebec. My constituents ask for no more than equality, but they will willingly accept no less.

Some hon. members may feel that there are certain reasons why the west should pay freight rates which are higher than those paid in central Canada, but I can assure them that there are many reasons for the opposite being true.

The prairie provinces have almost everything which should make for low rates. We have flat country with very few rivers. We have almost no natural obstacles. I think these features should make for low operating costs. Certainly the capital investment of the railroads has been kept much lower than it is in central Canada. The hauls on the prairie are long, and the density of traffic is there. The prairies have bulk products which should make for lower operating costs. Despite the advantages which we have, we are at an overwhelming disadvantage through not having competition similar to that which is present in the east. In the east there is competition from the United States railroads, from the great lakes, and from trucks. All these factors have forced the railroads to keep their rates at a reasonable level. Speaking in Saint John, New Brunswick, on November 25, 1946, Mr. D. C. Coleman, then president of the Canadian Pacific, had this to say about the proposed increase:

> Railway rates should be based on what the traffic can afford to bear.

Obviously that is the way in which the railroads have fixed their rates during past years. The west has had to pay higher rates simply because it was felt that it could afford to pay them. The railroads have taken advantage of the situation to make the west "pay through the nose" in many cases. If hon. members think I am exaggerating I would refer them to exhibit 131 filed by the Canadian Pacific during the recent hearing.

In the past ten years 1936-45 inclusive, 65·8 per cent of the operating profits of the Canadian Pacific were made in western Canada. In the twenty years ended in 1945, the Canadian Pacific earned $245 million in the east as compared with $525 million in the west. In my opinion the recent 21 per cent increase will not be fully enforced in central Canada because of the competition to which I referred a moment ago.

In the past, high freight rates have had a definitely harmful effect upon the economy of the west. In the first place, our standard

of living has been adversely affected in direct proportion to the unfair differential. In the second place, higher freight rates have made it difficult for industry to develop in the west since industry must start out under a disadvantage as far as eastern competition is concerned because of those higher rates. It seems to me that if this is allowed to go through the discrimination will be increased. In other words, it is the firm belief of this group that, before this increase goes through, equalization across Canada should take place.

An hon. MEMBER: Two years.

Mr. THATCHER: That is too long. The Minister of Transport on Wednesday last and again this afternoon made a feeble attempt to placate public opinion. He stated that the board of transport commissioners would be instructed to investigate these rate differentials in the near future. Let me tell the minister that I do not think he is—

Mr. CHEVRIER: The hon. member should state what the minister said before commenting on it. He is all wrong.

Mr. THATCHER: All right. The idea of charging the Canadian people an additional $70,000,000 and then ducking behind a new investigation, will be recognized by the people of Canada and by hon. members of this house for what it is. If after sitting for nearly two years, the transport commissioners do not know that there is discrimination in the railway rate structure of Canada, then I doubt if they ever will know it. What is the point in having them spend another two years on an investigation, as the hon. member for Lethbridge (Mr. Blackmore) said the other day, simply to discover abuses which they know already exist?

I believe the last time we had a similar investigation was in 1925. At that time it took the board seven months to commence after they had been ordered to start, and then it took them eighteen months to finish their inquiry. I think the government is simply shelving the whole matter for a couple of years, during which time Canadians will be forced to pay higher rates.

Where were all the Liberals when this decision was made? When the Minister of Transport spoke in the house the other day backbenchers got up—I give them credit for this—and protested. I hope they will vote according to the way in which they spoke in the house the other day.

An hon. MEMBER: They have had a caucus since.

[Mr. Thatcher.]

Mr. THATCHER: I think the minister should have known when he made his announcement that the maritimes, the prairies and British Columbia could not take an increase like this one lying down.

Where were the cabinet ministers? Where was the Prime Minister (Mr. Mackenzie King)? I may be wrong, but it did not seem to me that the announcement made by the Minister of Transport had the Mackenzie King touch, the usual finesse. It seems to me that possibly the Prime Minister was in seclusion somewhere trying to get caught up with his work, during which time the cabinet made its decision without him. I do not know, but it seems to me that that is what happened.

British Columbia is one of the provinces most vitally affected by this decision. Where was the cabinet minister from British Columbia? British Columbia has not had a cabinet minister for about four months. I will wager that, had Senator Mackenzie been still in the cabinet, a lot more would have been said against the proposed increase. I think this decision has demonstrated more than any other single thing that the Liberal government should appoint a cabinet minister to represent British Columbia without further delay. If they are waiting for the Vancouver by-election they may have a long time to wait, because I do not think they will get one in that riding.

Where was the cabinet minister from Prince Edward Island, another province vitally affected. It is some years since that province has had a minister. Prince Edward Island had nothing to say about this decision which affects them to such an extent. I understand that the cabinet minister for Manitoba was unfortunately too ill to be present and Manitoba did not have cabinet representation when the decision was made.

What about the province of Saskatchewan? Where was the Minister of Agriculture (Mr. Gardiner)? If he was out in Saskatchewan I suppose we cannot blame him too much because, after all, there is an election coming up. However I think that when such a vital issue was being debated it would have been better for the people of Saskatchewan if the minister had been present. Where was our other representative from Saskatchewan, the parliamentary assistant to the Minister of Veterans Affairs (Mr. Tucker)? Well, he was out electioneering too, trying to ride a dead horse.

An hon. MEMBER: What dead horse?

Mr. THATCHER: May I finish? What did the parliamentary assistant have to say? He

made a statement in Saskatoon, as reported in an article which is headed, "Tucker thinks west will get fair deal on freight rates". The article goes on to report him as saying:

> I think the west will get a fair deal out of the freight rate situation under proper representations.

Apparently we did not have proper representation in the cabinet. I doubt very much if the parliamentary assistant is happy about the way in which the freight rate situation has developed. I picked up the Ottawa *Journal* just before I rose to speak and I notice this headline:

> Liberals united on freight rate crisis.

Are we to take from this statement that the Minister of Agriculture and the parliamentary assistant believe that this decision is the best that Saskatchewan can get on freight rates?

In other words, four out of seven of the provinces affected by this discriminatory action were not represented in the cabinet when this matter came up.

We hear a great deal today about the need for national unity and that is all to the good, but I think we must realize in this house that national unity must be brought about on a basis of equality. The action of the government in permitting the freight rate increase cannot but cause discontent in the dominion, because it will impose on the citizens in the remote areas of Canada a charge which is greater than the charge imposed on people in Ontario and Quebec. Once again I do not argue basically with the railways when they say they need increased revenue, but I disagree strongly with the way in which they are proposing to obtain it; that is, by a flat increase instead of by equalization. As equal partners in this confederation we are asking for the same rates as Ontario and Quebec. Let all sections of Canada pay freight rates which are on a fair and equitable basis, and if the government must be defeated to make it see the wisdom of such a policy, then let it be defeated.

Mr. ROBERT H. WINTERS (Queens-Lunenburg): Mr. Speaker, as a member from Nova Scotia I wish to present certain aspects of this problem of freight rates. But first I should like to say how much the house was enlightened by the statement made so capably this afternoon by the Minister of Transport (Mr. Chevrier).

This is undoubtedly an issue of the gravest importance, and at the outset may I briefly summarize the history of the case. On October 9, 1946, the railways applied for an increase of 30 per cent in their freight rates. They emphasized that there had been no general increases since 1920 and no general investigation since 1925 and pleaded that costs of labour, materials, and other factors had risen enough to justify increased rates.

The board of transport commissioners undertook a comprehensive study of the situation and gave all concerned an opportunity of presenting their cases both for and against. Seven of the nine provinces opposed the increase; Quebec and Ontario refrained from presenting their views.

It is important to note that it was the railways—not the government—that requested the increase.

After hearings and study lasting almost eighteen months, the board announced on March 20 that it had authorized an increase of 21 per cent—instead of the 30 per cent requested—with the effective date to be April 8.

When the board announced its decision, the seven provinces indicated their intention to appeal to the cabinet and asked that the provisions of the order be not effective until at least thirty days after the date initially announced, April 8, pending the results of the appeal. This the government did not see fit to do, but the minister stated on Wednesday, April 7, as reported at page 2717 of *Hansard,* that such action would not be prejudicial to any appeal.

It is my understanding, Mr. Speaker, that when the seven provinces presented their briefs in opposition to the increase requested by the railways they made it clear that they were not at that time dealing with so-called equalization or differentials. Any action they had in mind in this regard they clearly indicated to be for future consideration. Nevertheless the government, according to the minister's statement of April 7, directed the board to conduct an investigation into this matter of inequality and the general problem of a fair rate structure for all parts of Canada. The minister's statement was as follows:

> In the circumstances, the government has decided it would be in the public interest to have the board of transport commissioners make a thorough investigation of the rate structure of railways and railway companies which are under the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities so as to permit the freest possible exchange of commodities between the various provinces and territories of Canada and the extension of Canadian trade, both foreign and domestic.

According to the minister's statement and press reports, the board has already met for this purpose.

There is no question that the increase in freight rates will be a severe and adverse blow to the maritime provinces as well as to the west. Even at the old rates it was almost impossible for our industries to put their products on central Canadian markets at competitive prices. To be in a competing position, it was necessary not only to aim at wages more moderate than those prevailing elsewhere but to keep our other manufacturing costs down. What small measure of success we have had indicates that we have achieved both these aims to some extent. Now, however, the higher freight rates place another obstacle in our path. They will tend to make us live within ourselves in an industrial sense more than ever before.

The establishment of a railway with its attendant facilities and services was one of the conditions upon which the maritimes accepted the terms of confederation, as is clear from the British North America Act, section 145, which reads in part:

> Inasmuch as the provinces of Canada, Nova Scotia, and New Brunswick have joined in a declaration that the construction of the Intercolonial Railway is essential to the consolidation of the union of British North America, and to the assent thereto of Nova Scotia and New Brunswick, and have consequently agreed that provision should be made for its immediate construction by the government of Canada.

That was one of the important terms upon which the maritime provinces entered confederation. Such a railway was regarded in the eyes of the dominion as being necessary to give maritime merchants a market in Canada, particularly since the maritime provinces stood to sacrifice reciprocal and profitable trade agreements with the United States. It was clearly understood at the time that construction and operation costs would not be related directly to the traffic that might pass over the line, but would be borne in great measure by the dominion in the interests of national, imperial and strategic considerations.

It is clear that the intention of those concerned with confederation was to give the maritimes freer access to central Canadian markets, whereas this increase in freight rates as such may well have a further effect in the opposite direction.

The Maritime Freight Rates Act recognizes that certain statutory advantages in rates should be given to the maritimes as a matter of right. It states clearly that no rates will be approved which may destroy or prejudicially affect such advantages. Section 8 of the Maritime Freight Rates Act reads as follows:

> The purpose of this act is to give certain statutory advantages in rates to persons and industries in the three provinces of New Brunswick, Nova Scotia and Prince Edward Island, and in addition upon the lines in the province of Quebec mentioned in section two, together hereinafter called "select territory," accordingly the board shall not approve nor allow any tariffs which may destroy or prejudicially affect such advantages in favour of persons or industries located elsewhere than in such select territory.

We in the maritimes attach great weight to this statutory advantage.

On the other hand, there is no denying that costs have gone up and there is clear indication that the railways needed some relief if they were to continue in operation. This applied more particularly to those privately owned railways which were incurring operating deficits and were not able to offset them by government funds made available through subsidies or some other means of financing.

In its last annual report the Canadian National Railways showed that since 1939 the average compensation paid to each employee had increased by $816.26. Over the same period many materials which are used by the railways in their operation had increased in large proportion. For example, softwood ties increased from 59 cents each to $1.35 each, or a percentage increase of 128·8. Coal increased from $4.09 to $7.50 a ton, or an increase of 83·4 per cent. There are many other such increases shown. Assuming therefore, Mr. Speaker, that some help was needed if revenues were to balance expenditures, it would appear that three courses were open. The first course was to reduce wages, or at best to hold them from going higher, not only to the railway employees but to all employees engaged in allied undertakings; second, to pay increased subsidies on a very broad scale; and third, to increase revenue by charging higher rates for goods carried.

It is not necessary to dwell on the disadvantages of reducing wages at this time or the reaction that would have resulted across the country if any such course had been followed. The reason for not dealing with the problem by this method will be well understood.

As to the second alternative; that is, subsidies, we in Nova Scotia do not look unfavourably on subsidies that tend to minimize the disadvantage under which we operate as a result of our geographical situation. The maritimes have subsidized Ontario and Quebec industry for many years—out of all proportion to the returns we derive from these two wealthy provinces—by buying their manufactured goods. The industrialization of Ontario and Quebec has been accomplished, and is being protected, by tariffs which continually operate to the disadvantage of the maritimes. We regard, and Canada regards, reasonable subsidies to the maritimes as being a matter of

right, but we do not want subsidies on a scale that would make us fully dependent upon or pensioners of central Canada. We want every opportunity to stand on our own feet.

Solving the problem completely by subsidies means that all taxpayers would be required to share the burden, whereas we feel that the brunt of it should be borne by those who use the freight hauling facilities of the railways.

Sir Stafford Cripps, in bringing down his British budget last week, said that high prices and inflationary pressure cannot be removed entirely by government action unless England is to envisage a degree of economic control too rigid to be operated in a democracy. Coming from a socialist government, this is clearly indicative. We in the maritimes also are satisfied that subsidies cannot be regarded as the full answer to the entire problem.

This leaves as the third alternative the necessity for increasing rates. We see the necessity of this move; but, situated as we are in the maritimes, and with due regard to our attitude toward subsidies, we feel that if the problem must be solved by applying increased rates, the solution should carry with it a measure of subsidies. In other words, the impact of the freight rate increase must be cushioned by subsidies wherever they are indicated.

Let us look for a moment at the government's performance in the field of freight assistance to the maritimes. There is not much doubt that the administration fully realizes this problem and our position as a result of it. The Maritime Freight Rates Act, to which I have already referred, provides that westbound freight from the maritimes shall be at a rate 20 per cent lower than that prevailing for eastbound freight to the maritimes. This alone will cost the dominion over five and a quarter million dollars for the present fiscal year, but will assist the maritimes in putting their goods on Canadian markets. Freight subsidies which enable our farmers to purchase feed grains at prices comparable with those prevailing at the head of the great lakes are another form of financial assistance which helps to offset the disadvantageous position in which our farmers would otherwise find themselves. It was good news for the maritimes farmers to learn from the Minister of Agriculture (Mr. Gardiner) that the period for this subsidy assistance will be extended to July 31, 1949. Then, too, there are the well known subventions on coal which are intended to enable our miners to place their coal on Canadian markets in competition with United States coal.

According to statute, the advantage extended to us by the Maritime Freight Rates Act must be protected, and there is no indication that the government will not live up to its obligations. Where it develops that the increased freight rates react to our disadvantage when compared with other sections of the dominion, we will seek offsetting assistance, as we believe we have the right to do.

On this basis, and in the light of the government's assistance in the past, as well as the undertakings extended to Nova Scotia when entering confederation and our present statutory protection, I can see no good reason for supporting this amendment opposing the government's action. Moreover, both the amendment and the subamendment resolve themselves into motions of lack of confidence in the government.

Mr. MacINNIS: That is the determining factor, is it not?

Mr. SINCLAIR: Looking across at the hon. member, I say it is.

Mr. WINTERS: Without denying the gravity of the possible effect of this increase in freight rates, I believe it would be an outstanding lack of wisdom to use this one predicament as a lever in an attempt to unseat an administration which has done such a commendable job on a broad front. Therefore, Mr. Speaker, since the amendment and the subamendment have resolved themselves into motions of lack of confidence, there is no alternative but to oppose them.

(Translation):

Mr. GEORGES H. HÉON (Argenteuil): Mr. Speaker, I wish to begin this brief speech in French, in order to assert once more my absolute right to speak French in this house. However, as the majority of the members have not the advantage of speaking that beautiful tongue, I shall now proceed in English, that I may be readily understood.

(Text):

On March 30 last, the board of transport commissioners rendered judgment on an application of the railway association of Canada on behalf of its member railway companies for authority to make a general increase of 30 per cent in freight tolls and rates and of a specified amount per ton on coal and coke. The judgment rendered authorizes a general advance of 21 per cent and an increase of 25 cents per ton throughout on coal and coke. The government has refused to interfere with the judgment rendered, whilst the amendment proposed by the hon. member

for Rosetown-Biggar (Mr. Coldwell) is being offered to prevent or rather to defer the increase which the judgment of the board has allowed after a prolonged and exhaustive inquiry in the presence of counsel, and the representatives of the applicants and seven highly interested provinces.

The press of Canada has given much space and attention to the government's decision to respect the board's ruling, and to the amendment which it is alleged may put some hon. members on the hot spot if they dared vote against it, because of the political dynamite therein contained. The whole problem, as I see it, is not one which should be approached with the view of winning impending by-elections, provincial general elections or a threatened general federal election; but rather it should be considered on its merits, on the evidence and on the arguments advanced before the board by the interested parties and their counsel.

To start with, it is evident that the board of transport commissioners was not asked to equalize freight rates, nor did any eminent counsel for the provinces suggest, prior to or during the hearings of the board, that the issue of equalization of rates be joined to the demand for a general increase in tolls and freight rates. The board, therefore, could not in my very humble opinion, without exposing itself to ridicule and violating all rules of law and evidence, rule on an issue which was not contained in the application.

This house, then, is called upon to decide only whether the increase of 21 per cent decreed by the board is justified, at least in principle.

It is generally agreed, I believe, that our railways, much the same as every other public or private corporation and individual, have felt the pinch of increased costs of maintenance, construction, operation and extension of services. Then again, the travelling public is constantly asking for more speed and comfort, with air-conditioned cars, de luxe parlour and sleeper cars and coaches, exclusive cuisine, expert personnel, while it continually complains of bumpy roadbeds, outmoded and dilapidated passenger cars and day coaches, lack of snow-removal and repair equipment, trains running behind schedule, delays in freight and express deliveries.

To do all these things the railways have offered before the board conclusive evidence that they need more money to operate. This money cannot be obtained without an increase in rates, and an increase in rates, cannot be established or put into force without being examined and sanctioned by the board.

[Mr. Heon.]

Further, the Canadian National Railways, owned, operated and financed by the Canadian people, is one of the applicants and has lately announced a deficit of $23,000,000. We cannot hope to erase this deficit, even partly and thereby lessen our financial burden arising therefrom, unless relief is provided through increases in rates.

As to the Canadian Pacific Railway Company, which is privately owned and therefore taxed to help balance the deficit of its chief competitor, it also has construction and operation problems which can be solved only by increased rates. As a matter of fact, the Canadian Pacific could not successfully compete or even attempt to compete with the Canadian National Railways unless it enjoyed the same increases, because it cannot delve into the dominion treasury to recoup its operating losses.

For these reasons alone, Mr. Speaker, I would vote against the amendment of the hon. member for Rosetown-Biggar. But there are two other more important reasons which will motivate my vote, and which I wish to put on *Hansard*.

First, today's newspapers carry the announcement that conciliation in railway wage negotiations has collapsed. My sympathy is with the railway workers, who are entitled to a fair and reasonable increase in wages; and I do not want, by voting in favour of the amendment, to give a further excuse to the railway companies, if the increase in rates they seek were denied, for not meeting the motivated wage increases of their employees.

Second, I went on record in this house last year as stating that I was unwilling to vote for any issue which would precipitate a general election in the midst of the constitutional term of this parliament; and I am not changing my mind, particularly at this time, when the dangers of the international situation are too great to afford the risks of a general election.

I would, Mr. Speaker, vote for a measure or a resolution tending to a fair equalization of freight rates for every province, but not at the cost of an immediate general election.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

CRIMINAL CODE

ORGANIZATIONS ADVOCATING OVERTHROW OF CONSTITUTED AUTHORITY

Mr. WILFRID LaCROIX (Quebec-Montmorency) moved the second reading of Bill No. 2, to amend the criminal code.

He said: Mr. Speaker, this bill is aimed at suppressing the communist party as a political party and preventing the formation of a permanent fifth column in the event that we should be forced into war against Russia. The difference between my bill and the padlock law of Mr. Duplessis lies in the fact that, instead of the minister or the government itself deciding whether or not a certain political group is communist under the present law, a procedure which might lead to abuse in the case of political opponents, under my bill as opposed to the attitude taken by Mr. Duplessis a superior criminal court would decide definitively whether a certain political group is communist according to the present law. Mr. Tim Buck, leader of the Labour Progressive party, has written to hon. members of this house telling them that his party would never conspire to use force in order to take over power. That is exactly what has been done in all countries where the communist party, with the help of democratic institutions, succeeded in obtaining key positions which subsequently permitted it to suppress its opponents by force. The Minister of Justice (Mr. Ilsley) recently declared publicly that the Labour Progressive party was following directions dictated by Moscow. How can we tolerate in our country a political party whose allegiance is given first and foremost to a foreign government? This has been amply proved, and I challenge any hon. member to demonstrate the contrary.

I have been in this house for the past twelve years, and I know from experience that when a bill is referred to a committee before its principle is accepted by the house on second reading that bill generally dies quietly in committee and is forgotten forever. Such was my experience last year, and I do not want the same thing to take place this year. Therefore I insist on my bill being put to the house for second reading before being referred to a committee, where its details may be examined, since a bill the principle of which has not been accepted by the house seldom comes up for third reading. However, since only one hour is allowed for the consideration of bills moved by private members of the house, I would ask my colleagues who support this bill to remain silent. If they spoke time would be wasted and the bill would go to the end of the list when the time limit was reached. Every hon. member is aware that when it is desired to kill a bill some hon. members are asked to speak, ostensibly in support thereof but really in order to exhaust the time allowed for its consideration. Thus some hon. members may seem to be in favour of a bill while actually against it. I will set an example by resuming my seat and asking five of my colleagues to support my stand, in order that the house may vote on the principle of the bill.

Before I take my seat may I add that here in Canada we are first and above all a country whose people believe there is a God. We must not forget that here, as in the United States and the United Kingdom, Christianity is part and parcel of the law of the land; and I consider it necessary to prevent the growth and development in Canada of a political party whose main tenet is atheism, because we must bear in mind that communism is a philosophical system based upon materialism. Allow me also to point out that I am thoroughly convinced that the mere fact of not believing in God is likely to suppress any sense of responsibility in the individual. Therefore we must bear in mind that we are a nation who believe in God. Each day before resuming deliberations in the House of Commons we say this prayer:

> Our Father which art in Heaven, Hallowed be Thy name.
> Thy kingdom come. Thy will be done in earth, as it is in heaven.

This clearly shows that we are believers, and that we intend to remain so.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to say a few words in opposition to the principle of this bill, but before stating the reasons why I oppose it I want to make it quite clear that I am as much opposed to the aims, the policies and the methods of the communist party and the Labour Progressive party, which is merely the communist party under another name, as anyone in this house or anywhere else. Further I should like to say that my opposition to the communist party is not a matter of recent date or recent development. It has been my attitude since 1918, when for the first time the principles and tactics of the communist party began to show themselves on this continent. I have been associated with the labour and socialist movement in Canada since the first war; consequently I think I am about as familiar with the policies and tactics of the communist party as anyone in this country can be.

I was elected first to the House of Commons in 1930; consequently I have contested four elections from 1930 to 1945. On every occasion I have been opposed by a communist party candidate. Not only that; but on every occasion the communists who were opposing me were definite in stating that they were more opposed to me than to the candidates of the old parties, and, on my part,

I am glad to say that there was complete reciprocity: I was more opposed to them than I was to the candidates of the old political parties. And I am not a bit ashamed to say that I had much more in common with the candidates of the other parties, Liberal and Conservative, than I had with the communist party; because the candidates of the old parties, and I, stood for something in common; we stood for government by consent of the people whose support we sought.

Furthermore my opposition to the communist party has not lessened over the years. I have not been taken in by any of the palaver that has taken in so many people during the past few years. Indeed my opposition to the communist party has grown, because the danger of the philosophy they advocate has become much more clear in the past few years. And as I said, I am more opposed now than ever before, because communists everywhere have consistently shown that they reject and despise those attributes of civilized human behaviour in which I believe, and which govern my relations with other people in the community.

I believe in such things as honest dealings, integrity as between man and man, group and group, tolerance of other points of view, and the bringing about of social and economic change by consent. May I add this note, that I find it impossible to have personal dealings with any individual whom I cannot implicitly trust and in whose integrity I do not believe.

I have just mentioned what I am opposed to in the communist party philosophy. I also reject what the communist party makes the guiding principle of its policies and methods; that is, the overthrow of existing governments by force, government by dictatorship, liquidation of political opponents—and that is just a polite term for murder of one's opponents.

There may be occasions when force may be necessary in effecting social change. I know of very few countries where the people are ashamed of the revolutions by which they brought about social, political and economic changes. We heard much talk in the house during yesterday's debate about Magna Carta. Let us be clear on this: Magna Carta was not something given to the British people by the willing consent of the British King. I remember quite well, though it is a long time ago, reading in my school history that when King John signed Magna Carta in the meadow at Runnymede he signed it with a smile on his face but with rage in his heart. In other words, the barons of England of that time—and let us be clear about it; it was not the common people of England, but the ruling class—told King John, "You sign here"; and King John signed, because there was no alternative to signing.

In the United States they had their revolution of 1776, of which all Americans are very proud indeed. Sometimes I am amused when I read statements made by the Daughters of the American Revolution, worthy ladies who have organized to perpetuate the achievements of one revolution, and who insist that no more revolutions must ever take place, no matter how great the need may be.

I mention these facts merely to show that there may be occasions in the lives of people when force is necessary to put down tyrants.

Mr. CASE: Are you in favour of communism, or against it?

Mr. MacINNIS: I will tell my hon. friend this, that it would be useless to tell him whether I am in favour of it or against it, because he would not know after I had told him.

Mr. CASE: Yes, he would.

Mr. MacINNIS: I do not believe there are any Englishmen who consider that the civil war of 1648 and 1649, when King Charles lost his head, is something to be ashamed of.

Mr. CASE: King Charles lost his head.

Mr. IRVINE: You never had one to lose.

Mr. MacINNIS: I mention these things merely to show that there may be occasions in the lives of men when violent action may be necessary. But I am glad to say that I am living in a country where change by the consent of the people has become a tradition. And I should like to say here that in all the years I have been advocating political action through parliamentary institutions, the argument my communist opponents used against me was this: Yes, but when you have elected your socialist parliament the ruling classes will not allow you to put your program into effect.

If there is anything that has been completely falsified by events, it is that assertion. I do not know of any socialist government in any democratic country that has been prevented from carrying out its program by any counter-revolutionary action on the part of the former ruling classes. I want to make that clear.

Mr. CASE: May I ask the hon. gentleman a question? Do you subscribe to the theory introduced in the book "Make This Your Canada" by David Lewis, alias Louz?

Mr. ARCHIBALD: Take out the drunken bum.

Mr. MacINNIS: I suggest that that question is quite unworthy of an answer. David Lewis did not write "Make This Your Canada." He collaborated in writing the book. May I say that before the book was published I went over every line of it.

Mr. CARDIFF: I ask that the hon. member of the C.C.F. here at the back withdraw at once the statement he made about the hon. gentleman.

An hon. MEMBER: Who are you talking about?

Mr. CARDIFF: I ask that the hon. member withdraw that statement.

Mr. SPEAKER: Is the hon. member rising on a point of order?

Mr. CARDIFF: Yes.

Mr. SPEAKER: Would the hon. member be kind enough to state his point of order?

Mr. CARDIFF: The hon. member for Skeena made a slanderous remark about the hon. member for Grey North and I ask him to withdraw the statement.

Mr. ARCHIBALD: The hon. member for Grey North made a slanderous statement about a member of our movement and implied race hatred.

Some hon. MEMBERS: Order.

Mr. CARDIFF: Take back your statement.

Mr. SPEAKER: I would ask the hon. gentleman to state the words he would like to have withdrawn.

Mr. CARDIFF: He said he was a drunken bum.

Mr. SPEAKER: I ask the hon. member to withdraw that statement.

Some hon. MEMBERS: Withdraw.

Mr. ARCHIBALD: Under your instructions, Mr. Speaker, I withdraw.

Mr. FRASER: Not under instructions; that is not good enough.

Mr. SPEAKER: I would ask hon. members to keep silent in order that the Speaker may hear what is going on. I ask the hon. member for Skeena to withdraw his remark.

Mr. ARCHIBALD: I withdraw.

Mr. MacINNIS: I suggest to the hon. member for Grey North that it would have been far better for him to reject the support of the communist party when he was elected to this house rather than to come here now and attack hon. members who have taken a stand against that party and who have refused at all times to accept the support of communists. He is casting slurs on the character of such hon. members, but he had an opportunity to reject the support of the communist party and he did not do so. He came here first with their support.

Mr. CASE: No, I was never supported by a communist in my life. I understood that "Make This Your Canada" was one of your textbooks.

Mr. HARTT: Who else was supporting you?

Mr. MacINNIS: I oppose the principle of the communist party that the end justifies the means. This is not a new principle historically. I maintain that the means used to achieve any purpose—

Mr. FERGUSON: May I ask the hon. member a question? Do you support the views of David Lewis and the co-author of that book "Make This Your Canada"? Declare yourself yes or no now in this House of Commons.

An hon. MEMBER: Who are you?

Mr. MacINNIS: Of course I support the views expressed in the book "Make This Your Canada." If you do not like them you do not have to support them.

Mr. FERGUSON: We know you for what you are.

An hon. MEMBER: You do not know anything; you never did.

Mr. HARTT: In the name of human rights.

Mr. SPEAKER: Order. Hon. members will realize that it is one of the duties of the Speaker to protect freedom of speech in this house. Hon. members realize also that it is not necessary to pass a bill to have freedom of speech in this house and they will permit the hon. member who has the floor to carry on with his speech.

Mr. MacINNIS: Thank you, Mr. Speaker, I will do the best I can. I was stating that I was opposed to the principle of the communist party that the end justifies the means, and I said that was not a new philosophy in history. I maintain that the means used to achieve any purpose will have an effect on those using them. We cannot use bad means to achieve even a good end without ourselves being debased in the process. I should like hon. members to pay particular attention to that, because in our political activities in this country bad means are used to achieve what some people may at the time consider to be good ends. But as I say, we cannot use bad means without ourselves becoming debased in the process.

I wish to make one thing quite clear so that even my hon. friends over here will be able to understand it. I believe that today the communist party is the greatest menace in the world to human peace and freedom. It is filling the world with fear and foreboding and distrust. If there is anything worse than that, I do not know what it is.

Having said that as clearly as I possibly can, I want to go on to say that I am opposed to this bill. In my opinion it is the embodiment of the principle and philosophy of the communist party. It adopts the principle of the communist party that what you do not like you suppress. We are not going to overcome the evils of communism by adopting the methods of communism into the laws of our country.

Remember that this bill proposes to outlaw the communist party, not because they have committed illegal acts but because they have ideas which we do not like. That is implicit in the bill. They are being outlawed as political opponents. It is true that all political opponents are not to be outlawed at once under this bill; but I should like to point out, as was mentioned many times in this house yesterday, that if we adopt the principle of this bill it may be but a beginning. It should be observed that the communist party itself does not abolish or liquidate all its opponents at once. It takes them one at a time, but ultimately the point is reached where every party but the communist party is liquidated. Once we embark on a policy of suppressing or outlawing organizations or associations of people because we do not like their ideas, where shall we end? Where will be the limit to our suppressions?

The bill mentions the Communist Party of Canada and the Labour Progressive Party of Canada by name, but it also includes others. I quote from the bill which I have before me:

> . . . and any association, society, group or organization having similar aims or purposes are declared to be, and shall be deemed to be illegal organizations . . .

Mr. LaCROIX: Provided that a superior court of criminal jurisdiction has expressed the opinion that the association is an illegal one.

Mr. MacINNIS: I know that the bill provides that if, upon a reference submitted by the governor in council, a superior court of criminal jurisdiction expresses the opinion that the association is illegal it may be outlawed, but I submit that no party in this country, unless it is guilty of overt acts, should be outlawed just because a court has expressed an opinion as to its aims.

[Mr. MacInnis.]

I was going to draw attention to the proviso which the sponsor has just mentioned, and which modifies the sweeping provisions of the bill except in so far as it applies to the communist party and the Labour Progressive party, but the section being bad in principle it cannot be made acceptable to a democratic people by a modifying proviso. I know of no democratic country which is not plagued today with its quota of communists, but I know of no democratic country at the moment which has legislation such as we are now being asked to put into our laws, legislation which is contrary to democratic practice and democratic traditions. What is needed in this country is not a law to make illegal parties and ideas that we do not like, but that we should as quickly as possible improve the quality—I emphasize that, improve the quality—of our democracy by abolishing social inequities and making our economic democracy as pervasive as our political democracy. That is what this parliament has to do, and when we do that I have sufficient confidence in the common sense and good judgment of the Canadian people to be satisfied that we shall not need any repressive laws such as this bill would put into effect.

May I point out that no country ever saved itself from revolution or from overthrow by oppressive laws. If oppressive laws have any merit, if they would prevent subversive methods from growing, the communist party would never have come into existence, but the fact of the matter is that the communist party grew and prospered where oppression flourished. There is only one way in which freedom can be extended. That is by extending it. We cannot extend freedom by limiting it. We have laws now on our statute books for dealing with sedition and overt acts. Let us apply these laws where and when there is need, but do not let us begin to make laws to ban ideas, because such laws just won't work.

It is interesting to note that the section which this bill proposes to add to the criminal code is numbered 98. There was a section 98 in the criminal code from 1919 until 1936, the purpose of which was to outlaw certain associations, organizations, societies or corporations. It was later repealed. I should like to read subsection 1 of the old section 98 of the criminal code, which later was repealed. The marginal note to the section is "Unlawful associations," and subsection 1 reads:

> Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury to person or property, or by threats of

such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism, or physical injury to person or property, or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association.

That was the old subsection 1 of section 98. The section which this bill proposes to introduce is of a similar nature except that it mentions the communist party and the Labour Progressive party by name. There were ten other subsections in the old section 98, but the one I have read was the operative subsection. It was passed in panic after the Winnipeg general strike of 1919 and it remained on the statute book until 1936. There was considerable agitation before it was repealed. I was a member of the house at the time and I can well remember the debate.

The late Mr. Lapointe, then Minister of Justice, introduced the bill to repeal the section. I should like to quote briefly from *Hansard* some of the points made by Mr. Lapointe at that time. I do so because I know that Mr. Lapointe was highly regarded in this house not only on the government side where he sat but on this side as well. As a matter of fact I came to know Mr. Lapointe well before I ever met him, through hearing the late Mr. Woodsworth speak of him with appreciation. I quote from page 3901 of volume IV of *Hansard* of the session of 1936. Mr. Lapointe said:

I come now to another phase of the matter. Those who hold the views I hold on this question have been and are being charged with friendship towards the communistic element.

Unfortunately that continues to this day. You cannot speak for what you think is decency and democracy and liberty and freedom in a situation of this kind without being accused of being a communist. An amazing statement was made in the house yesterday by an hon. member to the effect that everyone who gave support to a certain organization was a communist or a member of the communist party. Mr. Lapointe was not a communist and I am not a communist. As I have said before, I detest and abhor everything they stand for.

Mr. Lapointe went on:

I am not a friend of the communists, and those who say that know I am not. I abhor, I hate the teachings and ideals of communism. But I want to fight them in a successful way, and I believe the way to fight them successfully is by argument, by attempting to have social justice everywhere and sound policies of administration.

He then quoted from a statement made by himself on some previous occasion, and he said:

To ensure our political stability as well as our economic stability, to victoriously repel the attacks of the trouble makers we must rely not so much on the criminal code, the officers of justice and the gaols as upon the personal dignity, the individual effort and the social co-operation which are the substance and soul of a free nation.

Could anyone put the situation clearer than it is put here by Mr. Lapointe? May I say that I agree with him; I agree with him with my mind and soul. He continued:

The adepts of the strong manner to the contrary notwithstanding ideas, whether they are good or bad, cannot be killed with guns or machine guns. There must be an enlightened acceptation of the changes to make and the reforms to accomplish to take away the weapons which certain abuses and certain mistakes have placed in the hands of the enemies of order.

There again you have it. We are not going to destroy these people by sections in the criminal code. We are not going to destroy them by jails and prosecutions; we are going to destroy them only when we build a social order in which they cannot exist. It must be remembered that roses do not bloom in gutters. It is as sensible to try to destroy ideas of this kind by repressive measures as it would be for a man who wanted to clear his garden of weeds, and who, on seeing a weed growing, took a rock and put it over the weed. In a few days, instead of killing the weed he would see that the weeds had sprouted all around the rock. By suppressive measures we may think we are destroying communism, but we just hide it as the weeds were hidden by the rock; it will sprout out in every direction and we will not have the same opportunities for dealing with it as we have when it is in the open.

I should like to give one other quotation from the speech of the late Mr. Lapointe.

Mr. MANROSS: Read the whole book.

Mr. MacINNIS: No. It would do you good if you read it. Now that you know the page in *Hansard* in which to find it, I hope you will go to your room and read it. Mr. Lapointe continued:

May I add that perhaps we are at fault in that regard, too, and that conditions which permit a small group of men to get together with a little sum of money, which with the help of privileges and our protective laws and insufficient social legislation became $15,000,000 after a few years, are productive of communism.

Mr. SPEAKER: Order. I must call the hon. member's attention to the fact that he has exhausted his time.

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, to some extent I am sorry indeed that I cannot comply with the perhaps legitimate request made by the hon. member for Quebec-Montmorency (Mr. LaCroix). However, no one can blame me, and least of all my constituents, if I take a little of the time of the house to speak on such an important private bill as the one we are discussing at the present time. I believe I would be remiss in my duty if I did not find it possible to express the opinions that I believe would be re-echoing the opinions of my own constituents. I want to preface my remarks by citing one of the telegrams that I have received during the last ten days from the Labour Progressive party of my own constituency. I shall read one of them and I shall read the answer that I gave to that telegram. It is as follows:

Timmins, Ont.

Mr. J. A. Bradette,
Parliament Buildings,
Member of Parliament for Cochrane, Ottawa.

It is an insult to the intelligence of the Canadian people that at a time when the cost of living is the highest in our history,—

That is typical of their propaganda.

—when the nation faces the gravest threat, economic chaos and depression —

Old clichés again that we have heard *ad nauseam*.

—that the government of which you are a part, should indulge in a debate on the LaCroix bill which is designed as a weapon of political discrimination against a minority Canadian political party.

Poor little party!

Implementation of the LaCroix bill will not solve one of the real problems facing the people today. It will only give comfort and aid to the real enemies of Canadian democracy, the profit hogs that are gouging the livelihood of the Canadian people.

The fact that the bill was introduced by a man with well-known fascist connections should relegate it to the waste basket without delay. We demand that you register yourself in opposition to this bill and that the government get on with the real business of the nation.

For the Labour Progressive party in Cochrane.

On the twelfth day of this month I sent the following reply:

In reply to your telegram of 8th inst., I beg to state that parliament as a whole is doing right in allowing the discussion of the private bills and resolutions, like the LaCroix bill. We must realize that we have in Ottawa a democratic government in which each individual member of parliament has an implicit right to maintain his prerogatives.

Personally, although I do not agree with some of the private bills or resolutions, I shall however do all that I possibly can that such prerogatives will be maintained in a free parliamentary system.

I hold no brief for Mr. LaCroix, although I highly respect him, and I have often strongly disagreed with him, but neither do I agree with your mentioning the old cliche, which is often used without reason whatever, of calling Mr. LaCroix a fascist. He is not a fascist but he is a good Canadian who expresses views, with which the majority of people may not agree at times, but no one can doubt his sincerity of purpose and his great love for his province and his country.

This is the kind of propaganda to which we have been subjected in the last few days.

By way of preface to my remarks, I should like to quote a great theologian of the Roman Catholic Church, Father Gustave Sauve, O.M.I., of the University of Ottawa, dealing with the present bill, in an article that appeared in *Le Droit*, an Ottawa journal on December 16, 1947. In order to be sure of my ground, instead of relying on my own translation, I will read four paragraphs of that article in the language in which it appeared:

(Translation):

A bill will be introduced in the House of Commons to ask that the Labour-Progressive party, which is nothing else but the Canadian Communist party alive and authentic, be outlawed.

Here are the three closing paragraphs of this article:

Again let us not deceive ourselves. Here in Canada the Labour-Progressive party, imbued with the genuine Marxist doctrine, is ever striving to bring closer and closer the revolutionary ideal of Marx, Lenin and Stalin. Canadian communists are the bitterest enemies of our spiritual, social and economic traditions. Relentlessly and with an amazing energy, they worm their way everywhere under the cloak of democracy; they speak soothingly and admiringly of our wonderful country while, on the other hand they are polishing up weapons to destroy our dearest possessions.

Communism is a constant threat, an ever-increasing menace to our country. Therefore I do not hesitate to declare that it would be expedient to outlaw any communist party, provided that such outlawry be followed by strong measures with a view to putting an end to the misfortunes of the working classes; to preventing capitalism from becoming an exploiter; to giving access to private ownership to the majority of workers; to promoting all activities aimed at the betterment of the labouring class.

I am for doing away with communism by a legal decree, but do not forget that communism has its source in poverty and misery, so that if you sincerely desire to definitely annihilate it, make sure, first of all, that the people enjoy the necessary degree of economic prosperity.

May I be permitted to give a free translation of the last paragraph of this article.

(Text):

I should like now to translate the last paragraph of that excellent article of Father Sauve from which I have just quoted:

Do away with communism by a legal decree, I am with you, but do not forget it has its source in poverty and misery, and consequently if you sincerely desire to definitely annihilate it, first of all, make sure of the economic prosperity of the people.

My first reaction to this bill would be to support it 100 per cent, if I followed my own personal inclinations, because I have suffered from communists in my own section of the country. In 1934, in my own town of Cochrane, I barely escaped with my life, and if three provincial policemen had not sheltered me with their own bodies I might have been killed—by whom? By people who were not even Canadian citizens although they had lived in Canada many years. But they were the pupils, the slaves of Moscow and of Russia. That is why I speak freely on this important subject tonight.

I repeat, if I followed my own passions, my own personal inclinations, I would say, by all means let us pass this legislation at once. But I must remember also that I am a Christian; I must think also as a Canadian; and I must ask myself to be logical both with myself and with my own people.

Would it be a solution of the communist problem in Canada? To my mind, it would not. It would be simply laying on a thick coat of paint over rotten timber. It would be camouflaging to some extent the real issue. If we passed such a law it might for a time lull the Canadian people into a false sense of security which would not exist after the passing of the legislation.

I have no time tonight, Mr. Speaker, to elaborate this point; but I hope that hon. members, when the bill comes up again, will allow me to continue the debate. I move the adjournment of the debate.

Motion agreed to and debate adjourned.

Mr. SPEAKER: The hour reserved for public bills having been exhausted, the house will revert to the business prior to six o'clock.

SUPPLY

FREIGHT RATES—INCREASES ORDERED BY TRANSPORT BOARD—AMENDMENT, MR. COLDWELL —SUBAMENDMENT, MR. BRACKEN

The house resumed consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Bracken.

Mr. JAMES SINCLAIR (Vancouver North): My colleagues, the hon. member for New Westminster (Mr. Reid) and the hon. member for Fraser Valley (Mr. Cruickshank), have already spoken in this freight rates debate, giving their views, as British Columbia members on the government side, so far as the present dispute is concerned, and I feel I should join them.

The matter of railways is, of course, of special significance to British Columbia, because we would not be in confederation today except for the promise of a railway for that province. British Columbia, after all, was tempted into confederation by the promise of the Dominion of Canada that a railway would be built to connect that province with the eastern provinces. With that promise we came into confederation, and immediately in, we began to develop our first grievance, the fact that the promise of rapid construction had not been fulfilled.

Long after the promised date for the completion of the railway, the railway had still not reached British Columbia. There followed, of course, further great land grants to the Canadian Pacific Railway Company. Out of the construction of the railway in British Columbia the Canadian Pacific Railway Company got a twenty-mile belt, on either side of the line, of the choicest lands in the province and the greatest forests on Vancouver island, the greatest softwood forest in the world.

Once the railway was completed in 1886, there began our second and greatest grievance, the fact that, once completed, this railway, which was intended to unify this new confederation, was not uniform so far as rates were concerned. We were being charged double the rates of the prairies, while the prairies were charged 40 per cent more than the rates of eastern Canada.

That grievance has been an historic one in the short history of British Columbia. I first heard of it in my school days twenty-five or thirty years ago. It was impressed upon us at that time that it was because of this economic injustice that British Columbia was a province engaged mainly in primary production. We were the hewers of wood and drawers of water, and the east, because of tariff protection and freight rates, was the part of Canada engaged in secondary production.

Today, however, I feel quite sure that informed businessmen in British Columbia are agreed that the railways of Canada do need more revenue. They have only to look at their own businesses to find proof of that

Mine is perhaps one of the largest heavy industrial ridings in British Columbia, with the shipyards, the oil refineries, sawmills, pulp and paper plants and mines; and in each of those industries which are directly affected by this freight rate increase the management know there have been substantial increases in their own labour and material costs which have added to the final cost of production of their product. In turning to the figures supplied this week by the Canadian National Railways in their annual report, anyone can see justification for the request of the railways for an increase, if not in rates as given, then certainly in revenue. On page 6 we find that in 1939 the average wage to employees was $1,566. By 1947 that had risen $816, or by 52 per cent. In other words, there was a 52 per cent increase in wage costs to the railways during the war years. The other principal operating cost of a railway, coal, climbed from $4.07 in 1939 to $7.50 in 1947, or an increase of 83 per cent.

The railways asked the board to examine their need, and they endeavoured to prove to the board that they had need of an increase in revenue. To my mind, as the minister explained this afternoon, the railway board are the only group in Canada competent to judge such matters; and after fourteen months of close study, after every province concerned had presented its case in the very best light and through the best legal and technical talent they could hire, the railway board did come to the conclusion that the railways had established need and that more revenue would be required. I contend that the individual members of this House of Commons are not in the position of the board of transport commissioners with respect to coming to a conclusion on whether there is or is not need as far as the railways are concerned. I think most of us realize that we have not the training, the time, the talent or the opportunity to give to this case the study which was given to it by the board appointed under the law of parliament to do this task; and it is significant that, aside from a slight mention by one hon. gentleman, no hon. member of this house has attacked the ability of the board to judge such a case.

However, hon. members have two or three indications which they can use as criteria. The first is the fact that there have been no increases in railway rates since 1922. What other industry or what other labour group can say they have had no increase in either the cost of their labour or the cost of production during that time? Then every year, when we have the Canadian National estimates before parliament, this house has to vote very large sums of money to make up the Canadian National deficit. That, too, should be some indication to us that the Canadian National at least has need of additional revenue.

The third point to which I think we should pay attention comes from a rather extraordinary source. Mr. Mosher, head of the Canadian railway brotherhood, has said publicly that the railways must have this increase if they are to pay the wage increases the railway employees are now demanding. How different that is from the argument we so often hear, especially on the west coast, by labour leaders that companies can meet their demands for more pay without any increase in their price structure. Therefore I say that when Mr. Mosher, a respected officer of the railway brotherhood, makes that statement, to my mind that is significant. It has been said here that the C.C.F. are the political arm of that body, a rather broken arm one hon. member said today. If the C.C.F. are so determined that this increase should be suspended or dropped, then I think that, as the political arm of that brotherhood, they should have said to the brotherhood, "Since Mr. Mosher has said the increase is essential before we can get increases, we will also advocate that we stop the wage negotiations now in progress until some adjustment is made." So far I have not heard such a declaration. I represent two railway towns in my own riding. At Port Coquitlam we have the main yards of the Canadian Pacific in the Vancouver district, and at the town of Squamish we have the terminus of the Pacific Great Eastern. So I know some of the problems of the railway employees in trying to meet the cost of living in British Columbia; and I know I would not go before the railway employees in either of these towns and tell them they should now drop their applications for wage increases because the C.C.F. have moved a motion to drop or suspend this freight rate increase.

The British Columbia opposition is not to the fact that the railways asked for an increase and proved their need for more revenue. Our opposition as a province stems from the fact that this is to be a percentage increase on top of our existing inequality, the mountain differential. That, of course, is the real reason for the opposition of British Columbia. There are members on this side of the house from my own province who have criticized Ontario and Quebec members for not pitching into this fray on our behalf. I do not join in that criticism. After all, this parliament consists of members from every province so that we may

be able to intelligently bring before this parliament those particular problems pertaining not so much to the nation itself but to our own provinces; and if the British Columbia and western members are not able to present intelligently to parliament their special problems, they should not expect the Ontario and Quebec members to do so.

Mr. FULTON: Must have been a powerful caucus you had this morning.

Mr. SINCLAIR: My hon. friend has had very interesting meetings in the west himself, to judge by what I hear from Moose Jaw. In this connection, for example, as a British Columbian, badly off though our province may be, I believe there is one province in Canada in a worse position than British Columbia. That is Alberta, which is at the very apex of the freight rates. At least we in British Columbia get a little advantage from the water competition that exists between Montreal and Vancouver. Alberta gets none of that; but I do not feel I should stand in my place in this house and explain the Alberta plight, when Alberta is represented by the able members from that province. I say also one other body has a very great responsibility for the present plight of British Columbia and for doing something about it. That is the provincial government, whose responsibility it is to take every possible step to safeguard our provincial economy. Yet—and this was the thing that struck me as most astounding and which actually, I can tell the hon. member for Kamloops (Mr. Fulton), did dampen my fires a bit—I learned from the minister that not since 1927 has our province taken any specific, official action. Oh, certainly they have talked. The members of the legislative assembly have talked; the members of parliament like ourselves have talked, but there has never been the one thing which would have brought about some correction of that mountain differential. There has not been an official demand by the government of British Columbia upon the board of transport commissioners for a review of the mountain differential since 1927.

The reason for that is probably that we have become accustomed to our burdens. When you are burdened down with afflictions, after a while you get used to them and bear them. You do not like it, but it is only when extra afflictions are heaped upon you that you suddenly object to the original ones; and that is the situation today. It was only when the 21 per cent was laid on top of our already heavy burden of the mountain differential that we suddenly rose as a province to protest against it. But I say the real responsibility rests with the government of British Columbia, which should have made concurrent application about the mountain differential when the railways filed their application, so that today the board of transport commissioners and the federal government could not point the finger and say the only matter considered was the application of the railways for increased revenue and that the province of British Columbia made no application for a review of the mountain differential.

That is why, instead of condemning the federal government, I stand here today praising them, for at least they have taken the one specific action which will remove the mountain differential. The announcement of the minister that not British Columbia, the province most directly affected, but the federal government had asked the board of transport commissioners to start an investigation into the inequalities, not only in British Columbia but across Canada, was a positive step which my province and the other western provinces should have taken long ago. I would say this, to the credit of one provincial premier—Premier Manning—that at least a year ago he started preparing his case on the mountain differential. It has now been a year in preparation and should be very well presented before the board of transport commissioners.

There are some in the house who will say: What is the value of the applications now made by the federal government? The actual record shows that in the case of British Columbia the applications to the board of transport commissioners for the removal of the mountain differential have borne continuing fruit. At one time we had a double rate. An application was made against it by the province and the rate was reduced to one and three-quarters. Then came the famous freight rates case of 1924 when our province, at great expense, hired distinguished legal talent, who later adorned this chamber, and who succeeded in having that rate reduced to one and a quarter.

It is also true that a later application, a third one, failed. The vote by the board of transport commissioners was four to two, a very close vote indeed. Since that time great changes have occurred in the economy of our province which have changed our case. Certainly the imposition of this 21 per cent increase will have aggravated the case for the province; but I feel confident that the application made by the federal government on behalf of British Columbia, which British Columbia should have made for itself at the time the railways were making their applica-

tion, will bring the mountain differential down to parity with the rest of Canada.

For these reasons I will vote against both the Conservative amendment and the C.C.F. amendment, and will support the government in the action they have taken.

(Translation):

Mr. MAXIME RAYMOND (Beauharnois-Laprairie): Mr. Speaker, may I briefly define my stand on the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) and the amendment to the amendment moved by the hon. leader of the opposition (Mr. Bracken). I cannot support either for the simple reason that both embody a principle which I wholeheartedly condemn. What, after all, is the point at issue? It is not a matter of deciding whether the board of transport commissioners' decision suits us or not, nor of deciding whether it is fair, reasonable and acceptable to all sections of this country. On the contrary the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell) would have us blame the government on the plea that it failed to intervene as a court of appeal in order to repeal a legal decision taken by the board of transport commissioners. Such a proposition implies a dangerous principle. If political tribunals were to replace our judicial ones, what would become of justice? In my opinion, that is the sole question involved in this case. Again, it is not a matter of deciding whether the board of transport commissioners' decision suits us or not but if the government should take the place of a judicial body or, in other words, if it must set itself up as a court of appeal to review a legal finding. That is the meaning of the amendment proposed by the hon. member for Rosetown-Biggar and the meaning of the amendment to the amendment moved by the hon. leader of the opposition (Mr. Bracken).

I do not mean that I approve the increase granted by the board of transport commissioners. I must say that I am not much in favour of an increase which adds to the burden of taxation in our country and will enable certain companies to pay big dividends to foreigners. But that, may I say once again, is not the issue. The only reason why I cannot vote for the amendment and the amendment to the amendment is that they embody a principle which is contrary to the public interest, a principle whereby a political tribunal and not a judicial tribunal would deal with certain matters of general interest.

[Mr. Sinclair.]

(Text):

Mr. ANTHONY HLYNKA (Vegreville): Mr. Speaker, members of this group are not opposing any increase in freight rates if, as I said on April 5, an increase is necessary. But we certainly disagree with the principle that western Canada and the maritimes should pay the bulk of this increase.

For our immediate purposes the discussion on the subject of freight rates may be narrowed down to two major points. First there is the existence of discrimination in the scale of freight rates as between the two central provinces on the one hand and the four western provinces and the maritimes on the other. In other words, Ontario and Quebec have been favoured in the present freight rates, and the rest of Canada has been discriminated against.

To substantiate my argument, I need only refer to the figures given in exhibit 131 filed by the Canadian Pacific Railway Company at the hearing before the board of transport commissioners. The exhibit states that east of Fort William in the ten-year period from 1936 to 1945 $90·4 million of working expenses brought to the Canadian Pacific a net earning of $12·1 million, or 34·2 per cent of the total net earnings in the whole of Canada, while west of Fort William in the same ten-year period $90·0 million of working expenses brought net earnings to the Canadian Pacific of $23·3 million, or 65·8 per cent of the total net earnings. I think no further argument is necessary on that point.

The second major point is this: Will this discrimination be allowed to continue; will the federal government allow an additional burden to be imposed on western Canada by permitting a flat increase in freight rates of 21 per cent; and what does the federal government intend to do about the matter, if anything?

According to the statement of the Minister of Transport (Mr. Chevrier), the government has no intention of doing anything about this matter. It is evading its responsibility by putting forth the argument that the board of transport commissioners was set up by parliament for this very purpose. The minister stated that the board was charged with the responsibility of studying this question and rendering its decision. It has given its decision, and the government has accepted it.

The question is now: Where do we go from here? After listening to the speech of the Minister of Transport this afternoon, I was convinced more than ever that the protest of the west against any additional increase in freight rates upon the western provinces before the existing discrimination is removed is justified, without a doubt.

The minister pointed out that the act provides that any person or persons or any province may make application to the board of transport commissioners for equalization of freight rates, and that it is up to the province to file such appeals, if it so desires. In other words, the government is endeavouring to wash its hands clean of the whole problem. In view of the government's stand on this issue, the western provinces should first of all satisfy themselves that they know exactly how this matter stands; secondly, that the federal government has decided not to do anything about it; thirdly, that the provinces should study and arrive at some decision as to the ways of solving this problem.

Touching on a few other points, first I should like to say that in spite of the explanation given to this house by hon. members from western Canada, in spite of the briefs which were prepared and circulated by the western provinces on this question, there still are those who persist in arguing that the railways need additional revenue and that, therefore, an increase in the freight rates in western Canada is justified. Let me make it plain once again that if it is shown to the west that the railways need additional revenue I am sure that no reasonable person would object to an increase in freight rates, but spread the load fairly over all parts of Canada. Why take a disproportionate share of the revenue from western Canada?

I am telling the minister that the government must take full responsibility for the 21 per cent increase and for the existing injustice of discriminatory freight rates. I say further that the people of western Canada are not going to take this lying down. If the government does not understand the pleas of the people of western Canada which have been expressed through their provincial governments and through their members of parliament the people of the west will have to adopt language which all political parties understand.

In his speech this afternoon the Minister of Transport paid a compliment to the hon. member for Calgary West (Mr. Smith) for putting freight rates above politics. Freight rates in western Canada are so high that no member from the west has a reach high enough to put anything above the present freight rates. However I agree with the minister that the question of freight rates should not be used as a political football.

Let me explain what I mean. I have in my hand a copy of the platform which was circulated in the constituency of Vegreville and presumably throughout Alberta during the election of 1940 by the candidates of the party in power at the present time. The Liberals placed before the people of that province a program which reads in part:

> Agriculture—Pool the freight on wheat.
> Reconsider whole freight rate structure.
> Lower the cost of agricultural machinery.

If the candidates of the Liberal party had not used freight rates as a political football it would never have been in politics. Under the circumstances we are asked by our constituents to do something about these questions, because they say that the Liberal candidates told them that if they voted for them the government would do something about the matter. I agree with the minister that questions of this sort should be solved in a non-partisan way. Many questions should be solved in a non-partisan way, but I hardly believe there is another group in Canada that has been using these questions in politics to the extent to which government members and candidates have.

I wish to come back to this mistaken view that seems to have taken hold of some people who keep on repeating it. I want to make it clear beyond a shadow of a doubt just where this group stands on the question of freight rates. I believe that the majority of those who have opposed or who have criticized the minister take the same stand. The following editorial appeared in the Ottawa *Journal* of April 9, 1948:

> Entirely sensible is the government's decision not to interfere with the increase in freight rates granted to the railways. The board of transport commissioners, after exhaustive inquiry, decided that increases were needed.

Then it goes on:

> Opponents of freight rate increases say there are regional rate injustices which should be righted. Would it help to right such regional injustices, assuming that they exist, if we bankrupt our railways in the meantime?

Surely those people who look at these questions fairly will agree that no one from western Canada wants to starve our railways or see them bankrupt. But, as I said before, why take it out on western Canada and the maritimes? Why discriminate against those provinces which are politically weaker? It appears that the famous saying could be paraphrased in this case and we could say that where there is political might, there is right. That appears to be the way things are running in this case.

I clipped out an article which appeared in the Ottawa *Citizen* of March 30 of this year

just before the release was made in connection with freight rates. One significant paragraph reads:

> The decision equalizing east-west freight rate levels will take into account a present higher scale in the west estimated at about seven per cent above the eastern level. The dividing point is the head of the lakes.
>
> It was understood the board's method of equalization would consist in withholding increases from certain rates in the west.

Even the newspapermen who were writing about this question before the decision was handed down felt that something should be done to equalize freight rates as between the east and the west. But what happened? When the decision was handed down we found there was to be a flat increase in freight rates for the entire country. Some hon. members have already pointed out that the west will have to carry an additional burden of something like eighteen per cent higher than the rest of the country. Surely that question must be faced by this government. The minister now promises that the board will go ahead and study the whole question again. As time goes by, it will render its decision on the equalization phase of this question. But why did not the government long before this ask the board to study this question? The government in their election platform in 1940 said they were going to do something about equalizing freight rates; but they have waited until this time, and surely now, after the board has studied the rate question for more than a year and a half it must have learned all the facts and need not take years to bring down its decision.

I do not think I have much more to add to what I have said tonight and what I said on April 5, except that I insist that the government shall not shirk its responsibility in connection with this problem. What the people of western Canada want is action, and action now, not later. When the next election rolls around, if this question is not settled before, the government will again use it as a political football and then, when the election is over, the whole thing will be forgotten. We want this question settled now. We do not want it to be involved in politics. Let us solve it now and then it will not be involved in politics.

It must be remembered that the majority of the people in western Canada are primary producers. This means that they have to pay freight both ways; they pay freight on everything they buy and on everything they sell. It is only the primary producer who is in that position. The manufacturer does not pay freight both ways. He has not to pay freight on everything he buys and on everything he sells. But the primary producer does, so in reality multiply this increase by two and then you will be nearer the mark as to what the farmer of western Canada has to pay in increased freight rates.

[Mr. Hlynka.]

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the old Grand Trunk railway which was a pioneer good road, made very good money in Ontario, and then what did they do? They went and built a third transcontinental from Moncton to Winnipeg, and the result was that the system got into such difficulties that in 1916-17 a royal commission to investigate the railway situation in Canada had to be appointed, consisting of Mr. A. H. Smith, president of the New York Central railway, Sir Henry Drayton, head of the railway commission as chairman, and Mr. Acworth, who was a leading executive of the Great Midland railway in England and had made a great success of that road. The city of Toronto and the Ontario government in 1918-19 opposed the railway rate increase, and we took an appeal on questions of facts to whom? To the governor in council, and they dismissed our appeal.

The province of Ontario, with the other great industrial province of Quebec, contributes more in taxes than any other province in this dominion. The province of Ontario gets little or nothing from governments and little or nothing from some railway corporations. But I do say that there should have been set up in this house long ago a committee to consolidate and revise the Railway Act. Thirty years ago, back in 1917 and 1918 there was a committee of the House of Commons appointed to revise and consolidate the Railway Act, which met for two years. I appeared before that committee as head of the Canadian Union of Municipalities, accompanied by the late Sir Adam Beck, and we proposed to the railway committee that the Railway Act, like the Bank Act, should be revised every ten years. There has been no revision of the Railway Act since 1917 or 1918. But the railway committee of that day sat for nearly two years and the city of Toronto had to have some of its chief officials appear before that committee for nearly two and a half years, because the Mackenzie interests had gone to nearly every legislature in the country and got charters for the building of a third transcontinental line. We had to watch them because the Sir William Mackenzie interests owned the old Toronto street railway with a thirty-year terminable franchise expiring in 1921. We had a clause put in the Railway Act at that time, after a long battle here, to protect the municipalities. It provided that a

federal corporation could not run its line in, on, along, over or under a highway without the consent of the municipality. That was a blessing to the municipalities, which otherwise would have been ruined, with no control over their own streets. As I say, a committee should have been appointed long ago, directly after the war, to revise the Railway Act and bring it up to date, but that has not been done since 1919 up to the present time.

As to the present rate increase, the toll charges and rates should provide that there be no more political rate structure in Canada, setting one part of the country against the other, causing divisions and all that kind of thing. Ontario does not want that, nor does any other province that I know of. This particular application by the railways was considered by the board for nearly a year and a half. The board is a judicial body appointed under the Railway Act, which removed control of the railways from the old railway committee of the privy council, which used to consider all railway legislation down to the appointment of the board in 1903, when the late Hon. Mr. Blair, a former minister of railways, became first chairman of the railway board.

The board is a law court. I raised some question about the matter when the late Hon. Rodolphe Lemieux was Speaker of the house, and he ruled that the board was a law court. The then solicitor general, Mr. Cannon, had objected to some things that had been said in the debate and it was then that the Speaker ruled that the board was a court of law. The act gave the board very wide powers over any class of goods or persons or property of every description conveyed by the railways or by steamships connected with the railways.

Section 33 of the Railway Act gives the board powers equal to the powers of the supreme court. It has jurisdiction of its own volition. It does not need an application before it at all. It can go to work of its own volition and investigate express rates, freight rates and all that kind of thing. It is its function and duty to do so. This board did not do it. The province of Ontario wants nothing the other provinces do not get also from the country; it wants no hand-outs from the country and has never got any. Were it not for the resources of the province we would not be in the position in which we are today. Ontario is the greatest taxpaying province in the dominion. If it were not for this province in the past, the dominion would not be able to go into all this kind of thing and duplication.

They had big eyes in those days. Cox could not wait. We remember the old Grand Trunk Pacific which started to build a road from Moncton to Winnipeg and the railway board had no jurisdiction over it. They all had big eyes. Branch lines would have been built to the sun, to the moon and the stars if they had been allowed to carry on. After all this was done, the good old Grand Trunk in Ontario took the rap and became bankrupt. It had to be taken over by the country, which meant a serious loss to the country. The Canadian National Railways made all their money in Ontario out of the old Grand Trunk. There was an investigation into this situation, appointed by the gentleman I have named. The chairman of the board at that time was Sir Henry Drayton who was associated with Mr. A. H. Smith. What did the report find? The report found the following, that Canada had too much railway mileage for its population. It said:

> The mileage of Canadian railways is very great in proportion to the population of the country. It has increased out of proportion to the increase of population.
>
> Canada's natural waterways make railways less absolutely necessary than in other countries.
>
> The net return is so low as to prove that more railways have been built than can be justified on commercial grounds under present conditions.
>
> The public investment in railways is very large. The total amount of public capital involved in direct construction of government lines, and cash aid, land grants and guarantees to private companies is $968,451,000, not counting the value of lands still unsold.

They were not satisfied with that. They went to the provinces of Manitoba, Alberta, Saskatchewan and British Columbia and they got further hand-outs of millions of acres of land and right-of-way protection; so much so, that chaotic conditions were created. The report went on to say:

> The development of Canada justified two transcontinental lines. It did not justify three. The Grand Trunk and Canadian Northern should have been amalgamated.

Then they recommended certain things to be done in regard to taking over of this railway. They did not consider that operations by a minister directly responsible to parliament would be in the public interest. They said:

> It would not secure better service or lower rates.

They rejected the idea of direct government ownership and operation and they recommended that parliament not fix the rates. They recommended that the commission be appointed as a judicial body, and they could not be criticized here. They have the same jurisdiction and powers as a judge of the superior court or of any of the courts of this country. One of the cardinal principles of the

British constitution is that the courts of our country are subservient to the legislature. That is a very good principle. They also report that the railway board be non-political, permanent and self-perpetuating. They said:

We give reasons for concluding that railways are not a proper subject for direct parliamentary control.

That is right. We have the same thing in connection with the Toronto transportation commission. The original bill consisted of sixty pages, and I boiled it down to a page and a half. That act has now been used as a model by the city of Ottawa. They recommended:

That the act of parliament provide that the operation of the company shall be on a commercial basis, and that the trustees make no general reduction in rates until the property earns a reasonable net return.

They also recommended that there be given to the trustees the widest powers in the management of their property, and that they take into account depreciation, overhead and all the rest of it, and to run the road from the commercial aspect. The Drayton report recommended that the authority of the railway commission be extended to include all government railways.

Mr. A. H. Smith, president of the New York Central, in an amending report said:

Amend the regulating policy so that the railway commission may have jurisdiction over all railroads in the matter of maximum and minimum rates, the issuance of securities, the building of new railways, or the extension of lines, and other matters properly within the scope of governmental supervision.

Create a board of trustees, consisting of two government officials and three private citizens to act for the government in the matters hereinafter proposed.

The commission in 1909 was appointed under the chairmanship of Mr. Justice Mabee who had tried to regulate railways and their rates, and he did make some substantial progress and was a strong chairman. I might refer to the application I had before them in connection with the coal subsidy. I believe that the national policy should be extended in railways to include bonuses, subventions and subsidies, because we had that regarding the coal situation, which has been carried on by an act of parliament outside the railway commission's authority. We had one or two other instances of that as well. The house will find that all set out in the coal debate on my national fuel policy in *Hansard* of Monday, March 19, 1923. It took six years to make it statutory as applying to the maritimes, and Alberta coal and coal from Wales, and it was a blessing to the people of this country.

I may say that before there was a railway commission, away back on the 11th of June,

[Mr. Church.]

1897, the Laurier government, which came into office in 1896, introduced a bill regarding British Columbia railways and the building of the Canadian Pacific to the Crowsnest pass. The bill was introduced in this house by the minister of railways of the Laurier government regarding a subsidy for the railway to the Crowsnest pass. There was a debate in this house. Mr. Ross Robertson, the then member for Toronto East, discussed the bill. I am reading from "The Economic Aspects of the Crowsnest Pass Rates Agreement, No. 13, of the McGill University economic studies, one of the national problems of Canada series," by Mr. Theodore Herbert Harris, M.A. Mr. Harris said that at the time the bill was passed discussion fell into three principal divisions: first, the advantages to be derived from the construction of the line; second, the terms under which the line was to be constructed, more particularly with reference to the subsidy which the Canadian Pacific Railway Company was to receive and, third, the feasibility of constructing the line as a government enterprise. Regarding the first, there was practically unanimous approval, the sole dissenting voice being that of a member for an Ontario constituency, Mr. Ross Robertson, who failed to see why so large a sum was being devoted to the development of British Columbia, while the province of Ontario was, in his opinion, being neglected. And it was neglected, with the result that we had not had the Temiskaming and Ontario system electrified in 1910-11-12. If we had had that it would have been of great advantage to Ontario.

I stood at Fort Erie the other day watching the trains going down in that border town. I saw these magnificent new cars that they are using now on the subsidiary of the Canadian National Railways, the system they are using throughout Maine, New York and other places such as central Vermont and on all these other roads that are subsidiaries. I bring that to the attention of the hon. member for Simcoe North (Mr. Ferguson), because he is interested in the rates and rolling stock of the railroads up north in Ontario and all that kind of thing as well. This report goes on to say:

It was that section of the bill that dealt with the subsidies which the Canadian Pacific Railway Company was to receive that promoted the greater part of the discussion, leaving little time for the house to hear the pros and cons of the argument that the government undertake the work on its own behalf.

From the parliamentary debates on the terms of the Crowsnest act I quote the following:

Opposition to the subsidy granted the Canadian Pacific Railway Company under the terms of the bill came from many sources, but particularly from Mr. Ross Robertson. This mem-

ber pointed out that as the total cost of constructing the 330 miles of railway was estimated at $7,000,000, and that as the government was subsidizing it to the extent of $11,000 a mile, the company was only required to find forty per cent of the funds necessary for the construction of a line which he believed would be a commercially successful enterprise from the very start. He deplored the fact that the public resources of British Columbia were being transferred to the Canadian Pacific Railway Company to the extent of 20,000 acres of land per mile, and felt also, that when the line was in operation, the people would be wholly at the mercy of the Canadian Pacific Railway.

Some further misgivings were entertained due to the fact that there had been guaranteed to the British Columbia and Southern Railway, a company incorporated under the laws of British Columbia, a land grant of 20,000 acres per mile in the event of that company constructing a railway line through the Crowsnest pass. By the terms of an agreement between the Canadian Pacific Railway Company and the British Columbia and Southern Railway, the former fell heir to a portion of this grant. The fact was made clear, however, that a considerable portion of the land which the Canadian Pacific was to obtain by virtue of its agreement with the British Columbia and Southern would be turned over to the dominion government.

Further debate on the subject was restricted to the usual parliamentary tactics of delay.

As a matter of fact, a considerable portion of the land which the Canadian Pacific Railway Company was to obtain in British Columbia in connection with the southern railway was returned to the dominion government. A further debate ensued and the Crowsnest Pass agreement was adopted. Then came the Manitoba agreement, which was submitted to the railway commission, and there was another one with respect to the Crowsnest Pass agreement, which was considered away back in 1924 when an application was made under the Railway Act. The matter was referred to the Supreme Court of Canada, and it was found that the Crowsnest Pass agreement applied only to the conditions that existed when it was originated and, I think, to the class of freight also.

I submit that there should be no more political rate structures in this country. The national railway is faced with a deficit of $23,000,000, notwithstanding the fact that it pays no taxes.

May I ask, Mr. Speaker, that hon. members observe some order in the chamber? I should like to get the attention particularly of some of my hon. friends from Ontario. I do not see why hon. members from Ontario should not follow this discussion with interest. I would ask them to pay some attention. I can wait until they are through talking. I am not in a hurry. I should like to get some order, at least on my own side of the house.

The people of this province generally, the farmers of Ontario are paying heavy taxes and some are getting no service at all. Let me ask hon. members representing the districts around Haliburton and Frontenac and western and northern Ontario what service their people have been getting from the old Grand Trunk. We cannot get any steam suburban service in Toronto, which has contributed more revenue to the railways than has any other community in Canada. The Ontario members are afraid to stand up for their own province, as the members from some of the other provinces have done. We cannot get anything from any government. We have not had in the Toronto district a cabinet minister since 1935. Today we have this Canadian National deficit of $23,000,000 for one year and the people of Ontario will pay a considerable part of that deficit. The national system has many advantages which are not enjoyed by the other railway.

In my opinion this railway system should be operated on a commercial basis. One matter which I have raised, and which is not covered in the order for the present 21 per cent, has reference to the employees of the Canadian Pacific and the Canadian National from coast to coast. They were entitled to some kind of war bonus for what they did during the war. They worked day and night in the transportation of troops from Vancouver to Halifax. They worked long hours, some of them eighteen hours a day. Surely these men are entitled to some recognition from parliament, the same as some others who did less got.

So far as the province of Ontario is concerned, we have no support at all, and our Ontario members on all sides of the house are to blame. What have my friends representing Haliburton, Frontenac and Huron, and all these other places in western Ontario, to say with regard to the Canadian National services they have got? What have they received in return for the funds taken from the old Grand Trunk of Ontario and given to complete the "Cox can't wait" transcontinental from Moncton as far as Winnipeg?

I do not think there should be any political rate structures in Canada, and that is all we have ever had. No wonder the farmers of Ontario do not get anything. Their members are responsible. As I say, they are afraid to stand up for their province as the members from the prairie provinces, the maritimes and British Columbia have stood up for their provinces.

What has been responsible for the condition that has brought about appeals from seven of the provinces? Consider the extravagance condemned in the Drayton-Acworth report, attributable to the operation of three transcon-

tinental railways. Some of the seven provinces now object to the rate structure of this country, and I am not here to support yet an increase in rates. Far from it. The appeal should have been allowed first. In my opinion sufficient material was submitted to the government for the government to decide. But some of the seven provinces who have been objecting were themselves largely responsible for the present state of affairs as a result of the overbuilding of railways and useless duplication in Canada. We had railway construction three times in excess of what the country could stand.

For example, there were three branch lines from Toronto to Belleville and the result was that one line of the tracks had to be ripped up. There were other sections of railroad in the other provinces which also had to be ripped up and abandoned, such was the overexpansion of railway construction in Canada. I do not say that all the provinces were to blame, but I suggest that the intention which was expressed at the time railway construction began in Canada should be carried out, and that is, that there should be no more political roads or political rate structure. The roads should be managed from the commercial point of view, after proper inquiry, and the facts should be allowed to speak for themselves.

I believe there should be a proper system of railway rates in Canada, and let me say in this connection that we in Ontario do not want anything from the other provinces of the dominion. I myself have always been in favour of the principle of confederation, that what is good for one province is good for the rest of the country. In other words, I believe in the old Cornish battlecry for confederation, "Each for all and all for each."

There is no doubt that there are inequalities in rates, nor is there any doubt of the fact that there is at present a very large Canadian National deficit, but I believe in the principle I put forward in 1923, of bonuses, subventions and subsidies granted after an inquiry along the lines of the coal investigation, in order to see that inequalities are wiped out.

Finally, I suggest that the Railway Act should be revised every ten years, as the Bank Act is revised. The last Railway Act revision took place in 1917. Why should we wait thirty years for a revision of so important an act as the Railway Act? Two long wars and a heavy depression have intervened and we have had no revision of the Railway Act to check up on inequalities and to find out what, if anything, can be done.

[Mr. Church.]

I think the government of the day might have taken some steps after the seven provinces wrote them, after this order was passed. I have the order of the board here, and I have the opinion of Mr. Wardrope, who believes that the railways should have got another two per cent. That order was dated March 30, not so long ago; there was an appeal to the governor general in council, and the government should have allowed that appeal, because there is provision in the Railway Act for such an appeal on questions of fact. I was before the governor general in council myself at one time. We had a whole staff of accountants, lawyers and everything else. It was in connection with passenger rates and freight rates. We presented our brief to the railway commission and later took an appeal to the governor general in council.

I sympathize with the prairie provinces and the maritimes and have always favoured liberal treatment to those parts of the country which have done so much for Canada. I am a great admirer of British Columbia which is not only rich in water power but generally has been a great blessing to confederation. So I think the Minister of Transport (Mr. Chevrier) might, after a request of seven provinces, have taken the initiative himself, because he has power under the act; and the governor in council should have heard the appeal. The operation of this order might have been postponed for two weeks or so in order to permit this to be done, and then the government could have given their decision. After all is said and done, the onus is upon the government to some extent, though the reports are the other way and the railway commission may be considered a court of law, as it is in fact. They are called commissioners, but that body is a successor of the old railway committee of the privy council, and the Railway Act says it is a court; I quoted the section a short time ago. The question as to whether or not the railways were entitled to a 21 per cent increase is a question of fact. The government could very well have postponed the application of the order for two or three weeks and heard any appeal from it. Then, after they gave their decision, I do not see what we could have done as members of parliament, because the railway board was appointed for a specific purpose: to find out what are reasonable rates.

I do not believe the increase is entirely justified. Perhaps ten per cent or more might have been more in line with what is required; but to give an increase of 21 per cent all at once, after taking about eighteen months to hear the case, seems hardly fair. Surely after

having taken that long the government could have taken a few days more before putting the judgment into effect. It was put through as a matter of policy, not as a matter of law. Instead of taking time to hear the appeal, however, the government announced the next day that they had no jurisdiction, though there is an appeal in law to the governor in council on questions of fact and to the Supreme Court of Canada on questions of law, or to the privy council in England. Nothing like that was done, and I am afraid to some extent the government was influenced by the action of the railways across the border and the interstate commerce commission.

These matters have to be considered. I believe the government might well have heard the appeal as I have suggested and then announced its decision.

Mr. F. E. JAENICKE (Kindersley): Mr. Speaker, with his great effort this afternoon the Minister of Transport (Mr. Chevrier) undoubtedly convinced or converted many of his followers who a week ago were sort of faltering on this question; but I am sorry to say he has not been able to convert me and that today I feel just as I felt the day we heard over the radio the announcement of the board's order. When the minister spoke this afternoon he more or less elaborated upon the argument he advanced in this house on April 5, when we had a debate on this freight rate question. This afternoon he again stated that he wanted to dispel some misconceptions. I may say there is no misconception in my mind. I should like to quote from what the minister had to say on that other occasion, as reported at page 2662 of *Hansard*:

> There has been a tendency in this debate today to confuse two issues, the one which was the increase recommended by the board of transport commissioners and the other which was the equalization of the rates; or, to use the expression mentioned at various times in the debate, a discrimination in the rates across Canada. . . . The board in this case was dealing with one specific matter, namely an application . . . to the board of railway commissioners for an increase in freight rates.

With great respect I say to the minister that I think he was wrong, as I shall try to show in a moment. What he said is, of course, substantially what the board of transport commissioners said in their judgment; and in my opinion the board were also wrong. They held that discrimination was not in issue, and skilfully skated around that point. This afternoon the minister quoted from the decision of the board something which had some application to the argument I am about to make, but I am going to quote another paragraph from the judgment of the chief commissioner as it is found at page 81 of the mimeographed copy:

> Wide latitude was given to the protestants in the development of their objections to the proposed increase. In a considerable number of instances the objections involved matters more appropriately to be dealt with under proceedings upon complaint and in other cases virtually amounted to an endeavour to have reheard various phases of some of our previous decisions. A case of this character is a poor vehicle for the adjustment of individual rates or for the elimination of preferences or unjust discrimination existing except where same may be outstanding. One reason is that no notice has been given to the public of the intention to try such unanticipated issues and many interested parties were therefore not before us and could not have been heard completely if they were.

I said, and I repeat, that I believe the board were wrong in their judgment when they said that in fact they had no jurisdiction; because I maintain that in any case before the board for approval of any tolls or rates, discrimination is always an issue. Let me refer to the act to make my point clear. The application was made under section 325 of the Railway Act, which reads:

> The board may disallow any tariff or any portion thereof which it considers to be unjust or unreasonable or contrary to any of the provisions of this act, and may require the company within a prescribed time to substitute a draft satisfactory to the board in lieu thereof or may prescribe other tolls in lieu of the tolls so disallowed.

Then I wish to quote part of section 314, which deals with the matter of discrimination, part of which was also quoted this afternoon by the minister. The first subsection reads:

> All tolls shall always under substantially similar circumstances and conditions, in respect of all traffic of the same description and carried in or upon the like kind of cars or conveyances, passing over the same line or route, be charged equally to all persons and at the same rate, whether by weight, mileage, or otherwise.

Subsection 2 reads:

> No reduction or advance in any such rates shall be made either directly or indirectly, in favour of or against any particular person or company travelling upon or using the railroads.

Subsection 4 reads:

> No toll shall be charged which unjustly discriminates between different localities.

In my opinion all the sections under this particular part of the act, including sections 314 to 321, are overriding sections and must be taken into consideration in any case of approval submitted under section 325. I think that in view of their decision, in the case before them, that they had no jurisdiction to deal with discrimination or equalization, the

board were wrong in law. It might have been different if they had found as a matter of fact that there was no discrimination. But they did not do that; in fact they could not do that. As I said before, they skated around the point and they held that discrimination was not in issue.

In my opinion, therefore, they were wrong in law and perhaps an appeal by the provinces might lie to the Supreme Court of Canada. The government should at least have stayed the order until the provinces had sufficient time to decide upon an appeal or upon some further action. But it seems that some mystic power has more influence with the government than members of parliament from all parties who pleaded so forcefully and effectively on April 5 the cause of justice and non-discrimination.

Talking about discrimination, my mind goes back to the time we had the debate on the prohibition and restriction of imports, when a few months ago the Minister of Finance (Mr. Abbott) gave the house a lesson in non-discrimination when we were discussing this bill to prohibit and restrict imports. He told us that this government was all out for non-discrimination. He went so far as to say at one time to the committee that we were going to set an example to the world in non-discrimination. It is true that this lesson referred to international relationships; but it now seems that when it concerns our own Canadian people not only is discrimination advisable, but it is quite right to enhance this discrimination if it is a matter of providing in perpetuity the necessary operating expenses and profits of the railways.

Many points were made on April 5 and again in this debate on the motion and on the amendment offered by my leader in connection with the matter of discrimination. I wish to mention only one example to show that there is very unjust discrimination. The example I have chosen is the one which has been referred to by the hon. member for Vegreville (Mr. Hlynka) this evening. I shall go a little farther than he went in pointing out the injustices of this discrimination, and that it is such an unjust discrimination as would come within the meaning of the act and the particular section I read a few moments ago. As was said by the hon. member, the evidence before the board showed in a statement from the Canadian Pacific that in the ten-year period between 1936 and 1945 the average of the gross earnings of the Canadian Pacific was $215 million a year. The working expenses to be paid out of that were approximately $180 million, so that the net earning in each year was approximately $35,000,000. The evidence also established that the lines east of Fort William showed an average gross earning each year of $102 million and working expenses of approximately $90,000,000, leaving net earnings in the east of $12,000,000. In the west, that is to say the lines west of Fort William, the Canadian Pacific had gross earnings of approximately $113 million, and the working expenses in the west are practically equal to those in the east, namely $90,000,000, leaving net earnings out of western lines of approximately, $23,000,000. In other words the net earnings of the Canadian Pacific in the west, on equal operating expenses, were almost double its net earnings in the east.

If we translate these figures to a per capita basis we find that the gross earnings in the east contributed about $3 per capita, and in the west about $5.40 per capita. If we take the net earnings of the Canadian Pacific in these years we find that the east contributed $2.52 per capita and the west contributed $4.83 per capita.

If we take this 21 per cent increase we shall find that, on the basis of these figures, the eastern people will contribute 35 cents per capita, while we in the west will have to contribute about $1.10 per capita, so that the Canadian Pacific can have these additional profits. The figures which I gave as to the company's earnings in eastern Canada also include the lines in the maritimes, where the people are also being discriminated against so far as freight rates are concerned. If we take into consideration this discrimination against the maritimes, the tremendous disparity which I have already pointed out as between east and west will be enhanced as between the two central provinces of Ontario and Quebec and the rest of Canada.

As I pointed out a minute ago, I compute this increase in the freight rates structure to be more than three times as great in the west as it will be in the east; and if we take into consideration the injustices done to the maritimes, this disparity will be even greater.

Surely such a disparity in rates which results in people in the west paying more than three times as much per capita as people in the east in order to supply these additional earnings for the railways is unjust discrimination within the meaning of section 314 of the act. As a matter of fact the government might be deemed to have admitted as much because of their contemplated investigation of this matter.

For a moment let me come back to the board and its attitude in the matter. The board's duties and powers are not clearly defined in the act. But, generally speaking, I would say that its duties and powers are to

see that the provisions of the Railway Act are fairly enforced. I would say that, taking the act as a whole, the board's primary responsibility is the protection of the public. It is true perhaps that the board is there to protect the interests of the railways as well; but an act which grants extraordinary powers to the railways, such as the power of expropriation, is primarily an act for the protection of the public.

And may I suggest that in any decision the public ought to have the benefit of the doubt. The board knew of the grossly unjust disparity in freight rates already existing between the central provinces and the rest of Canada. However, instead of rectifying the situation, as it had power to do, it accentuated the situation by its judgment.

In my opinion the board had full power to reject the application of the railways, and to tell them to submit a new freight rates schedule for approval which would meet with their needs and which at the same time would be non-discriminatory. Why should the board or anyone else figure out a just, equitable and non-discriminatory freight rates structure for the railways. The way I read the act it is the duty of the railways to do that; and they should have been told to submit such a schedule for approval of the board, and to put their house in order.

I am of the opinion that the board has entirely misconstrued its duties and powers under the act, and that the people of Canada —certainly the people in the west—have lost faith in the competency of the board. For these reasons I believe that a royal commission or some other tribunal should be set up for the investigation of the freight rate structure as proposed by the minister. I believe that some of the provinces have already taken the same stand.

But let me again suggest that the onus of providing a fair and equitable freight rate tariff for the whole of Canada is, in reality and according to the provisions of the act, upon the railways themselves. The railways should be given to understand that the course of least resistance which they seem to have adopted this time when asking for an increase all across the board will not do. They should get busy and work out for the approval of the board or some other tribunal a schedule which will meet their needs and at the same time be just and non-discriminatory as far as the public is concerned.

I also plead with the minister, although I presume it is now too late, that the government reconsider the matter, suspend the board's order as they have the power to do and request the railways to submit a scheme which has these just and non-discriminatory features. Not only would this course be fair and just, but may I suggest that it would also be in the interests of the government.

This afternoon the minister mentioned something about the political situation that might develop in connection with this railway rates dispute. I have here an editorial which appeared in the Saskatoon *Star-Phoenix,* a newspaper which warmly supports the government of the minister. They certainly do not do so in connection with this freight rate order. The editorial reads in part:

> Some of the reasons why the Chevrier policy contains the seeds of a fatal error for the King government may be found in the judgment of the board of transport commissioners. No one objects to the railways getting more money. Everyone should object to them getting it as a discriminatory levy upon the west. The board, of course, may say that the effect of a rate increase is none of its business. The federal cabinet cannot say the same and expect to remain in office, and it is an incredible lapse of the ordinary political sagacity of the cabinet to find that any of its ministers think it can. Yet that is what makes politics, and the consequences will unfold quickly. Another reason why the Chevrier proposal is bad is that the board of transport commissioners is unacceptable as the body to conduct a general inquiry into the rate structure. But meanwhile, a new generation of politicians seems sure to learn one of the basic facts of Canadian politics, that is, that freight rates are basically a political matter.

I suggest to the government that they had a grand opportunity to take this matter of freight rates out of politics.

Mr. HOWARD C. GREEN (Vancouver South): Mr. Speaker, the hour is growing late; but in view of the fact that the subamendment moved by the leader of the opposition (Mr. Bracken) was seconded by myself, I should like to say a few words this evening. It contains two paragraphs, and I shall deal first with the second, which reads:

> Further regrets that the government has refused the reasonable request of seven provinces that the imposition of increased freight rates recently authorized by the board of transport commissioners be delayed for thirty days until they could be heard.

As hon. members know, the judgment of the board was delivered on March 30. Almost at once the premiers of seven provinces of Canada wired or wrote in to Ottawa requesting that it be suspended for at least thirty days. For the life of me I cannot understand why that request was refused. These were the premiers of the seven provinces that had co-operated with the government by entering into agreements within the last year or eighteen months. There was the Premier of British Columbia, my native province, and the

Premiers of Alberta, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island and Nova Scotia.

These were responsible men, men who were far closer to the people living in those provinces than the Prime Minister (Mr. Mackenzie King) or any dominion cabinet minister. They were men of all political shades. The Premier of British Columbia represented a coalition government of Liberals and Conservatives. The Premier of Alberta represented a Social Credit government. The Premier of Saskatchewan represented a C.C.F. government. The Premier of Manitoba represented a coalition government of Liberals, Conservatives and Social Crediters. The premiers of the three maritime provinces represented Liberal governments. I wonder that the government failed to heed the reasonable request of those seven premiers. In my opinion that was shabby treatment; treatment which should be condemned in no uncertain way by the members of this house. Therefore I approve strongly the wording of the second paragraph of the subamendment. The first paragraph reads as follows:

> Regrets the government's failure to secure the removal of inequalities and discriminations in the Canadian railway freight rates structure before the imposition of a horizontal increase of twenty-one per cent—an increase which is bound to intensify the aforesaid inequalities and discriminations.

Hon. members will notice that the essence of that paragraph is the reference to inequalities and discriminations. No one can deny that such existed before the judgment of this board was handed down, and no one can deny that they have been intensified by the judgment of the board. It seems to me that the question of these inequalities and discriminations is vitally bound up in the whole freight rate situation; yet it is being cavalierly brushed aside by the Minister of Transport and those who have spoken in support of the government's stand.

I shall not attempt this evening to deal with the position in any other province than my own province of British Columbia. There our problem, and our complaint, for decades has been the mountain differential. It was explained neatly in the judgment of the British Columbia member of the board of transport commissioners, Mr. MacPherson, at page 84 of the board's judgment, and I propose to quote from Mr. MacPherson's explanation. He says:

> During the progress of the hearing it was pointed out by counsel for the provinces on many occasions that in Canada we have different grades or steps in the freight rate structure, viz. . . .

[Mr. Green.]

By the way, the Minister of Transport made the same explanation this afternoon. The commissioner went on to enumerate the types of rates:

> The maritime rates (in preferred territory).

As I understand it, those are rates reduced by 20 per cent by reason of the Maritime Freight Rates Act. Next:

> The competitive rates of Ontario and Quebec.

Which rates apparently are higher than the maritime rates. Next:

> The prairie rates for Manitoba, Saskatchewan, and Alberta.

Which in turn are higher than the rates in Ontario and Quebec. The Minister of Transport will perhaps correct me if I am wrong in any of my statements. Next:

> The mountain scale or Pacific scale of rates.

These are higher again than the prairie rates. In other words, they are the highest of all four rates. They apply only to freight moving through the province of British Columbia.

Mr. CHEVRIER: May I interrupt the hon. gentleman at that point? Did not the commissioner whose judgment he now cites agree with the judgment of the chief commissioner?

Mr. GREEN: I am at the moment citing only that portion of Mr. MacPherson's judgment which explains the four different types of rates in Canada.

Mr. CHEVRIER: Did he not agree with the judgment of the chief commissioner?

Mr. GREEN: Yes, he did agree, with the reservation which I am going to quote in a few minutes about the mountain differential. In effect this higher rate for freight in British Columbia means that we are being penalized for living in the mountains. It is very fine to live in the mountains. I would not want to live anywhere else. I was born there and it is where I like to live. But we should not be penalized right down through all the history of Canada. There is certainly no justification for a penalty of that type. What we really are being penalized for is that we live so far removed from Ottawa. We are in the province farthest away from the capital. We have always had a comparatively small number of members and we have not yet been able to get this mountain differential wiped out.

I cannot say too strongly that that mountain differential is unfair. It is opposed by everyone in the province of British Columbia and has been ever since I can remember, running back for many years. The reason used in support of it seems to have been that the Canadian Pacific Railway Company had heavy

expenses in running their trains through the Kicking Horse pass, through that particularly mountainous portion of our province. But over thirty years ago one of the predecessors of the present Canadian National Railways was hauling its freight from Alberta to the coast through the Yellowhead pass, and, as the minister knows, the line goes through on a grade which is lower than the grade on the prairies. That in itself should have been sufficient to wipe out the mountain differential, but in spite of that fact we are still being penalized. Surely the whole basis of decision with regard to these higher rates should be that there is competition. We should have a rate that would meet the requirements of the Canadian National Railways. There is no reason why we should not get the benefit from the fact that its line of railway has gone through the mountains on such a good grade. Either the rates are being kept up to protect the Canadian Pacific Railway Company at the expense of the people of British Columbia, or the Canadian National Railways is getting rates to which it is not entitled. I suggest that the only fair basis would be to give us the benefit of the fact that the Canadian National Railways has that lower grade.

I doubt also whether the Canadian Pacific Railway Company under present operating conditions is incurring more expense than it is incurring in running, for example, through the rocky country of northern Ontario. I believe that neither railway has ever been able to prove in the hearings before the board that it did cost them more to operate in British Columbia than in other portions of Canada.

The attitude of the British Columbia government in connection with the recent hearing was very reasonable. I must say I was amazed this evening to hear the hon. member for Vancouver North (Mr. Sinclair) try to place all the blame on the British Columbia government. I was amazed to hear a member of our province make an attempt of that kind. He did not do the British Columbia government justice at all. When their counsel appeared before the board, this was the stand taken; members will find it at page 57 of the judgment; the chief commissioner is citing the stand taken by British Columbia counsel, which was:

> We say there should be no increase in rates while the present inequality under which our people have been suffering remains.

That was the stand taken by Mr. Locke, who has since been made a justice of the Supreme Court of Canada, and was one of the most distinguished counsel in Canada. That was the stand taken by him on the opening of the inquiry eighteen months ago.

Mr. CHEVRIER: Will the hon. gentleman read the following sentence?

Mr. GREEN: I am quoting from the chief commissioner's statement. The next sentence is:

> Removal of the mountain differential is something which must be brought up by a substantive application which, when our preparations are complete, I propose to launch.

The province of British Columbia was asking that there be no increase in rates until the question of discrimination had been dealt with, and that has been their position throughout, but it was misrepresented this evening by the hon. member for Vancouver North.

British Columbia is hit harder than any other province by this increase in freight rates. That is shown by Mr. MacPherson. I refer again to his judgment, where at page 84 he says:

> The maritime rates which are covered by the statute, viz., the Maritime Freight Rates Act, carry a twenty per cent discount on all freight moving within the maritimes and as far west as Levis, P.Q., and also cover freight consigned west of Levis originating in the preferred territory.
>
> In Ontario and Quebec, competitive rates are governed by water and truck competition, the latter being uncontrollable, resulting in some very low competitive rates.
>
> The prairie provinces get the benefits of the Crowsnest pass grain rates and also truck competitive rates, this last to a degree. However, these truck rates are controlled by provincial highway boards and cannot be considered to be competitive to the same degree as the truck rates of Ontario and Quebec.
>
> This is also true in British Columbia where the provincial public utilities board controls truck rates in certain areas.

Finally the paragraph I wish to emphasize:

> Then lastly, there is the mountain or Pacific scale, which is commonly referred to as mountain differential, whereby one and one-quarter prairie miles equal one mile in Pacific territory for rate purposes. I am of the opinion that this situation, which amounts to an increase of 16 per cent over the prairie scale of rates, should be again reviewed at the earliest possible date.

I repeat that our province has been hit harder than any other province by this increase. You see, Mr. Speaker, railway rates are of vital importance to us because we are in the most remote province of Canada. Our goods, both those which are sold and those which are bought, have to come farther by rail in most cases than the goods of any other province. The proportion of our costs which is made up of freight rates is higher than in any other province. We are also in this position. Our province has been growing in population. We have had many thousands of splendid citizens come out from the prairie provinces, and many of the young men who

served in British Columbia during the war have moved out there since the termination of hostilities. This means that there must be many more jobs found in our province than in any other province at the present time. Yet our industries are handicapped by this heavy freight rate. It has been a drag on them from the time when the railway was first put through to the coast. Some of the industries are particularly hard hit. The Okanagan valley is our great fruit producing district. From there fruit is shipped to all parts of Canada, and also to the United States. Some is shipped to the coastal ports for export overseas. All the fruit that is moved out of that valley must go by rail, and we find a great protest coming from that Okanagan valley as a result of the increase. I hold in my hand a press dispatch of just a few days ago headed, "Okanagan Freight up $1 Million". This is from Kelowna and reads in part:

The 21 per cent rail freight boost may cost B.C.'s fruit industry $1,000,000 a year.

The estimate was made today by A. K. Lloyd, president and general manager of B.C. Tree-Fruits Ltd.

He foresaw a jump of 11 cents in the cost of shipping a box of apples or pears to main western markets. Charges for peaches, plums and prunes probably would go up five cents a box, he thought.

Said Mr. Lloyd:

"While at first sight the freight rate boost appears an additional burden for the consumer, it does not always work out that way.

When the laid-down value of produce exceeds a certain limit, the producer begins to feel the lag. He may have to take some of the squeeze in order to continue the free movement.

It comes down to a question of supply and demand, and too often additional freight rates reflect a reduction in the net amount to the producer."

Last summer the B.C. Fruit Growers' Association presented a brief to the board of transport commissioners, and a very reasonable brief it was, dealing with the effect of an increase in freight rates on their industry. They pointed out that, because of the loss of a market overseas, they were having to ship a far larger proportion of their fruit than ever before to Canada and to the United States, all of which involved freight rates. In the brief we find this paragraph:

Because of our geographical location and our great distance from large centres of population, the railways have secured, and continue to secure, long haul freight charges on practically every pound of fruit we produce. They also secure large revenues on practically all the supplies required by growers to produce the crop, such as fertilizers, insecticides, machinery, paper wraps, nails, pads, labels, strapping wire, salt, etc. We know of no other industry in Canada or United States from which the railways secure such a large share of the consumer's dollar. On a substantial portion of Ontario, Quebec and maritimes fruit the carriers receive no revenue whatever, and in the eastern and U.K. market we must compete with those provinces.

They point out that:

An increase of transportation costs is almost certain to result in decreased, instead of increased revenues to the carriers as our lower grades cannot, on a buyers' market (or heavy crop year) carry the burden of transportation costs, and they will, therefore, be left on the trees, or sent to processing plants.

I believe the situation is somewhat the same in the fishing industry. A large proportion of our fishery production has to be sent by rail east of the Rockies and the increase in rates will handicap that industry in a serious way.

This increase, with the mountain differential on which the increase is imposed, will hold up our development in the province. I hold in my hand an editorial from the Vancouver *Sun*, which is a supporter of the government. It is dated March 31, less than two weeks ago. The heading is: "Worse Than Ever." We find this paragraph at the end of the editorial:

The mountain differential is an artificial barrier to British Columbia's industrial expansion. By heightening the barrier, the transport board has heightened British Columbia's determination to smash it down entirely.

As the minister must know, the feeling in British Columbia about this mountain differential goes very deep. What is the remedy proposed? In his remarks this afternoon the minister said words to the effect that now that the whole question was to be reviewed by the board of transport commissioners, they might find that the mountain differential should be dropped. He admitted that the chairman had told him that the hearings would take from six months to a year. My own opinion is that they are more likely to take from one year to two years, because there will be representations heard from all over the country. In any event, they will take a very long time.

Like some of the members on the minister's own side, such as the hon. member for New Westminster (Mr. Reid), I am doubtful of the results when the next judgment of the board is handed down. My own belief is that the question of the mountain differential will never be settled without government action. We have had this rate structure in Canada for many years. Part of it is the mountain differential, and the board of transport commissioners is very unlikely to do away with that. Judging by their actions in the past, I think it is very doubtful that they will take the step. The minister himself admitted that we have now vastly changed economic condi-

tions. That is certainly true of British Columbia, and I suggest that there must be legislation brought in abolishing this mountain differential.

Here you have a clear-cut case for legislation by this parliament. There was legislation to set up the Crowsnest Pass agreement. That legislation met a situation which could be met only by parliament. There was also legislation to provide for the 20 per cent subsidy in the maritimes, and I am not questioning for a moment the wisdom of giving that subsidy, but I point out that the situation had to be met by legislation. The government has recognized these facts because, in the order in council of April 7, P.C. 1487, in which it directed that the board of transport commissioners review the whole freight rate structure, there appears the following:

> The committee, accordingly, advise that the Board of Transport Commissioners for Canada be directed to undertake a general freight rates investigation along the lines indicated in the preceding paragraph, subject—

And this is the provision to which I draw attention particularly:

> —to such special statutory provisions as affect freight rates.

The cabinet itself, in drawing up this order in council, has recognized that there are certain conditions which must be met by legislation. I submit that the mountain differential is another such situation and one which can be met only by legislation.

In British Columbia we are not asking for a rate that is lower than that given anyone else. We are asking that our rate be dropped to the level of the others. Surely there is nothing unfair in that request. I cannot for the life of me understand why we should be singled out for the doubtful honour of paying the highest rates of any group of Canadians. It just does not make sense, nor does it make for unity in this nation.

The party of which I am a member stands for removing the mountain differential. My leader, speaking this afternoon, said that the mountain differential had to be removed. We believe that it must be removed by legislation, and we propose, Mr. Speaker, to see that it is removed.

On motion of Mr. Isnor the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. GRAYDON: May I ask the acting leader of the government what the business will be tomorrow.

Mr. CHEVRIER: Tomorrow the government would like to proceed with the motion, appearing under government notices of motions, in my name, to set up the committee on railways and shipping. That should not take very long. Next we should like to continue with this debate on the motion to go into supply and the amendment of the leader of the C.C.F. and the subamendment of the leader of the opposition. If this is disposed of, then the motion to set up the committee on human rights and fundamental freedoms, and legislation on other matters already announced but not yet disposed of.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, April 14, 1948

The house met at three o'clock.

THE DEPUTY CHAIRMAN

EXPRESSIONS OF FELICITATIONS ON THE OCCASION OF HIS BIRTHDAY

Mr. NORMAN J. M. LOCKHART (Lincoln): Mr. Speaker, I rise to speak to a matter of privilege affecting one member of the House of Commons in particular, and for that purpose I crave your indulgence for a few moments.

A person is usually known by the company he keeps. May I be permitted to refer to an item which appeared in the Montreal *Gazette* of yesterday, April 13, and which concerns in particular the hon. member to whom I have referred. The names of the three illustrious persons mentioned in the *Gazette* were His Excellency the Earl of Athlone, the former Governor General of Canada; the Honourable Walter Jones, Premier of Prince Edward Island, and—no less important than the other two—none other than our genial vice-chairman of the committee of the whole, the hon. member for Huron-Perth (Mr. Golding). These three names are linked together, and rightly so.

It was reported in the *Gazette* that these illustrious persons are today passing another milestone in their journey through life. Before stating my question of privilege I consulted the Parliamentary Guide and found to my amazement that our genial friend from Huron-Perth has inadvertently omitted from that record the date of his birth. I traced his career to earlier days and I found that April 14 was his natal day.

I express my appreciation, sir, of your indulgence in allowing me to discuss the matter at this time. What I am saying was prompted particularly by consultation with the hon. member for Kingston City (Mr. Kidd), whom, I might say, very little passes. I feel sure that every hon. member in the chamber will join with the hon. member for Kingston City and me in conveying to our genial friend the felicitations of all members of the House of Commons, and that all will join with us in wishing him many happy returns on this his natal day, and many more years of preference and distinction.

STANDING COMMITTEES

INDUSTRIAL RELATIONS—CHANGE IN PERSONNEL

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the name of Mr. Skey be substituted for that of Mr. Homuth on the select standing committee on industrial relations.

Motion agreed to.

STANDING ORDERS—CONCURRENCE IN FIRST REPORT

Mr. J. S. SINNOTT (Springfield) moved that the first report of the standing committee on standing orders presented on April 12 be concurred in.

Motion agreed to.

INDUSTRIAL RELATIONS—CONCURRENCE IN FIRST REPORT

Mr. PAUL E. COTE (Verdun) presented the first report of the standing committee on industrial relations, and moved that the report be concurred in.

Motion agreed to.

BANKING AND COMMERCE—CONCURRENCE IN THIRD REPORT

Mr. HUGHES CLEAVER (Halton) presented the third report of the standing committee on banking and commerce, and moved that the report be concurred in.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, before the motion is carried I should like to make an observation. For a quarter of a century the banking and commerce committee has been convened in an orderly way so that members of the committee would find it convenient to be present when the committee was called. My reason for rising at this time is to say that in the mail box of members of the committee there was found, some time after the hour of ten o'clock in the morning, a notice saying that the banking and commerce committee would meet, while the house was in session, at 8.30 that day.

Those who open their mail boxes before ten o'clock in the morning and not again until later in the evening find themselves bereft of the information that this long-established committee on banking and commerce, which meets ordinarily when the house is in session, is to be convened on that day. As a member

of this house I am of opinion that there is ample time and ample opportunity for those who order the convening of the committee to give notice of it in the ordinary way so that the itinerary for our march during the day may be so arranged that we shall be able to attend its meetings.

Yesterday through no fault of his the member for Danforth innocently stood to one side while the committee on banking and commerce was being convened, and in his innocent sort of way he knew not thereof. This committee has been functioning since confederation, and with so much time now being available for our meetings, a notice given after 10 o'clock in the morning that we shall meet at 8.30 o'clock that day while the house is sitting is not sufficient for the old-fashioned representatives who still sit in this honourable assembly.

Motion agreed to.

REPORTS AND PAPERS

ANNUAL REPORT OF DEPARTMENT OF TRANSPORT

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I desire to lay on the table the English edition of the annual report of the Department of Transport for the fiscal year ended March 31, 1947. The French edition will be tabled as soon as it is received from the king's printer.

CANADIAN NATIONAL RAILWAYS

TABLING OF BUDGET

Hon. LIONEL CHEVRIER (Minister of Transport): Mr. Speaker, I wish to table the budget of the Canadian National Railways and the Canadian National (West Indies) Steamships Limited for the calendar year 1948.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FREIGHT RATES INQUIRY—COUNSEL

Mr. DIEFENBAKER:

1. What is the total cost incurred in connection with the sittings of the Board of Transport Commissioners on the application by the railway companies for an increase in freight rates?

2. Who were the counsel appointed by the dominion government to appear at the hearing and how much was paid to each of said counsel for (a) fees; (b) living or other expenses; (c) other disbursements?

3. What was the per diem fee paid or agreed to be paid to each of said counsel?

[Mr. Harris (Danforth).]

Mr. CHEVRIER:

1. $20,034.32.

2. No counsel were appointed by the dominion government.

3. See answer to no. 2.

DOMINION GRAIN INSPECTORS

Mr. STEWART (Winnipeg North):

What has been the average increase in salary allotted to the dominion grain inspectors between December, 1939 and December, 1947, by the following grades: grain samplers, grain inspection assistants, grain inspectors grade 1, grain inspectors grade 2, grain inspectors grade 3?

Mr. GIBSON (Hamilton West):

Average increase in salary between December 1939 and December 1947: Grain sampler, $471; Grain inspection assistant, $408; Grain inspector, grade 1, $360; Grain inspector, grade 2, $345; Grain inspector, grade 3, $660.

Grain inspectors, grade 1 or grade 2 in charge of elevators, increase of extra pay from $10 per month to $20 per month.

Increase in hourly overtime rates of pay: Grain sampler, 75 cents per hour 1939 to $1 per hour, present; Grain inspection assistant, 85 cents per hour 1939 to $1 per hour, present; Grain inspector, grade 1, $1 per hour 1939 to $1.30 per hour, present; Grain inspector, grade 2, $1 per hour 1939 to $1.50 per hour, present.

CHILD AND MATERNAL HEALTH

Mr. HARRIS (Grey-Bruce):

What is the Department of National Health and Welfare doing in an educational way regarding child and maternal health in Canada?

Mr. MARTIN: The department has produced within the last year a series of films and filmstrips which are available to the provincial departments of health, health units, women's organizations and similar groups and devoted to pre-natal and post-natal aspects of child and maternal care. Most important of these is a film entitled "Mother and Her Child" which has been produced in English and French and is in colour. Another is entitled "Know Your Baby", also in colour. Two filmstrips are entitled "Nine to Get Ready" and "Introducing Baby".

The seventh reprint edition of the book "The Canadian Mother and Child" is now being printed and will as usual be made available to provincial departments of health for free distribution to expectant mothers and others interested in child care. It is expected that within the next few months the distribution of this book, since it was originally written by the chief of the child and maternal

health division of the Department of National Health and Welfare, will pass the one million mark.

Additionally an attractive folder entitled "Ten Points to Remember" is now being prepared by the information services division. This is intended as a complementary piece of literature to the films mentioned above and will be made available to the public when such films or filmstrips are being shown to women's audiences.

FAMILY ALLOWANCES—INVESTIGATION OR CASE WORK

Mr. JAENICKE:

With what provinces has the Department of National Health and Welfare made arrangements to do investigation work or case work on behalf of the Department of National Health and Welfare in respect of recipients of the family allowance?

Mr. MARTIN: Nova Scotia, Ontario, Manitoba, British Columbia.

FAMILY ALLOWANCES—PAYMENTS TO OTHER PERSONS OR AGENCIES

Mr. MARQUIS:

In how many instances has it been necessary to make family allowances payable to another person or agency under section 5 of the Family Allowances Act?

Mr. MARTIN: As at February 29, 1948, a total of 238 cases, of which 154 are being administered by social agencies and 84 by individuals.

*MEETINGS WITH REPRESENTATIVES OF RUSSIA AND OTHER COUNTRIES

Mr. GAGNON:

1. Since entering upon his duties as Secretary of State for External Affairs, has the Right Honourable Louis St. Laurent met (a) official representatives of the government of Soviet Russia; (b) official representatives of countries other than Russia?

2. If so, (a) when, where, for what reason and who were the said representatives, in each case; (b) what was the result of the conversations held, in each case?

Mr. ST. LAURENT: I should like to answer this question orally. First, with respect to representatives of governments other than Russia, the answer to that question is yes. In answer to the second question I should like to say that it is not in accordance with diplomatic practice nor in the national interest to disclose the nature of official conversations with representatives of other countries.

With respect to the representatives of Soviet Russia, the answer will have to be somewhat qualified in order to be accurate. Since I assumed my duties as Secretary of State for External Affairs there has been no occasion for official conversations between representatives of Soviet Russia and the Secretary of State for External Affairs. As hon. members know, the post of ambassador from Russia to this government has not been filled, and such conversations as there may have been would be conversations between the chargé d'affaires or members of his staff and members of the permanent staff of the department.

On the other hand it would not be accurate to say that I had not met any representatives of the Russian government. No doubt I participated in meetings of the united nations where there were representatives of that government, and I have no doubt it did happen that I attended social functions where they were also present. Those were the only times when I had occasion to meet them since I assumed the duties of my office.

CIVIL SERVICE—HEALTH DIVISION

Mr. LANGLOIS:

What are, at present, the specific activities or functions of the civil service health division?

Mr. MARTIN:

1. To examine new employees upon employment or upon application for permanency and at other specified times as circumstances dictate.

2. To examine employees upon reassignment of duties, change of position or promotion demanding review of physical requirements.

3. To examine employees upon their own request or upon the request of their supervising officer.

4. To examine employees where the physical requirements of the job in relation to the duties involved are in need of assessment.

5. To conduct studies and make reports on the health of civil servants.

6. To protect civil servants from contracting and spreading disease.

7. To study hazards associated with the nature of the employment and adopt measures for their control.

8. To discover and instruct employees in overcoming physical defects and defective health habits, especially those of a remedial type by individual and group health education.

9. To enlist the services of private practitioners and specialists for the detection of physical or mental defects.

10. To provide emergency and first-aid service for minor disorders and injuries.

11. To furnish medical guidance and advice to all departments of government on matters relating to the health and welfare of civil servants. This includes job placement, ventilation, lighting, heating, accommodation, and other factors associated with environmental sanitation.

12. To assist in the interpretation of medical reports when such interpretation becomes a factor in administrative procedure.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FILM BOARD—MOTION PICTURE PROJECTORS

Mr. FRASER:

1. How many motion picture projectors are owned by the national film board?

2. What is the size and value of each make, and are they new or used?

3. How many of each kind of projector are there in each of the national film board offices and are these projectors loaned to other joint or individual film councils?

Mr. WINTERS: Return tabled.

FISHING REGULATIONS—ALBERTA WATERS

Mr. HANSELL:

What are the rivers and lakes in the province of Alberta which come within dominion government fishing regulations?

Mr. GIBSON (Hamilton West): Return tabled.

NATIONAL REVENUE—INCOME AND OTHER TAXES

Mr. HEON:

1. What provinces of Canada have refrained during the fiscal year ending March 31, 1948, from levying (a) personal income taxes; (b) corporation income taxes; (c) corporation taxes; (d) succession duties (as defined in agreements made between the dominion government and the governments of certain provinces under the provisions of the Dominion-Provincial Tax Rental Agreements Act, 1947)?

2. What revenue has the government of Canada collected in each of such provinces during said fiscal year from (a) personal income taxes; (b) corporation income taxes; (c) corporation taxes; (d) succession duties?

3. What is the amount of the total compensation paid and/or payable for the fiscal year ending March 31, 1948, to each of such provinces under agreements made pursuant to the said act?

MILK BOTTLE FILLING MACHINES

Mr. WINKLER:

1. Are milk bottle filling machines ranging in capacity from 12 or 15 quart bottles per minute, to 120 quarts, made in Canada?

2. Is there a customs tariff on all of these sizes of machines being imported into Canada? If not, on what sizes is there none?

[Mr. Martin.]

U.S. CURRENCY PAID FOR GOODS OR ASSETS IN CANADA—ALASKA HIGHWAY

Mr. JACKMAN:

How much United States currency or gold was paid to the United States government or its agencies for goods or assets located in Canada, including that part of the Alaska highway within Canada, and purchased by the government of Canada since December 31, 1945, specifying all items costing over $1,000,000?

MOTIONS FOR PAPERS

LOAN FROM EXPORT-IMPORT BANK

Mr. JACKMAN:

For a copy of all correspondence, telegrams and other documents exchanged between the Department of Finance and any other departments of the government and the Export-Import Bank of the United States regarding the negotiation, application, granting and acceptance of a loan from that bank to the Dominion of Canada.

COMMODITY PRICES STABILIZATION CORPORATION—MARINE INSURANCE

Mr. FLEMING:

For a copy of all correspondence exchanged between Commodity Prices Stabilization Corporation and Dale and Company of Montreal, concerning marine insurance and the premiums thereon, and the placing of such insurance, in respect of import shipments for the account of Commodity Prices Stabilization Corporation?

BRIDGE ACROSS SOUTH SASKATCHEWAN RIVER AT SASKATCHEWAN LANDING

Mr. BENTLEY:

For a copy of all correspondence, telegrams and text of telephone conversations exchanged between the government of Saskatchewan, its officials and employees, and the federal government and its officials and employees, from January 1, 1948, to date, regarding the request of the Saskatchewan government for permission to build a bridge across the South Saskatchewan river at Saskatchewan Landing.

Mr. FOURNIER (Hull): Mr. Speaker, the government has no objection to the passing of this resolution, with the usual reservation that the government of Saskatchewan be consulted, and if they do not object we shall table the return.

Mr. SPEAKER: Carried, with the reservation made by the minister.

RAILWAYS AND SHIPPING

APPOINTMENT OF COMMITTEE ON ACCOUNTS AND ESTIMATES OF GOVERNMENT OWNED TRANSPORTATION LINES

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That a sessional committee on railways and shipping, owned, operated and controlled by the government be appointed to consider the ac-

counts and estimates and bills relating thereto of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines, saving always the powers of the committee of supply in relation to the voting of public moneys; and that the said committee be empowered to send for persons, papers and records and to report from time to time, and that notwithstanding standing order 65, in relation to the limitation of the number of members, the said committee consist of Messrs: Bourget, Chevrier, Clark, Emmerson, Fulton, Gibson (Comox-Alberni), Hatfield, Hazen, Hlynka, Jackman, LaCroix, Lafontaine, Lockhart, Maybank, McCulloch (Pictou), McLure, Moore, Mutch, Nicholson, Picard, Pouliot, Reid, Warren.

He said: Mr. Speaker, this is the usual annual motion to set up the committee on railways and shipping which deals with the affairs of the Canadian National Railways and Trans-Canada Air Lines, and to which is referred the annual reports of the Canadian National Railways, the Canadian National (West Indies) Steamships, and Trans-Canada Air Lines. The motion is in exactly the same form as that establishing the committee last year.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I would have thought that the minister would not have brought in this motion until after the amendment moved by the leader of the C.C.F. party to the motion for supply had been disposed of. It has been thirty years since we have had a revision of the Railway Act, the last revision being in 1919. There have been vast changes since then. There have been very few results, so far as I have observed, from the setting up of this committee each year. The accounts are referred to the committee, which makes a report but concurrence in the report is not moved, and that is the last we hear of it. It means that the House of Commons is simply divesting itself of all control over the Canadian National Railways and its ocean, hotel and lake services. If you ask me, we have got very little value from this committee, and certainly this motion should have stood until the amendment of the hon. member for Rosetown-Biggar (Mr. Coldwell) had been disposed of.

I do not believe in the setting up of this committee at all. It is not the proper way in which to conduct the business of the house. Here is the annual report of the Canadian National Railways, in a booklet with these flowery pictures on the covers, and it shows a deficit of $23,000,000 on last year's operations. Who is going to pay that deficit? It is charged very largely to consolidated revenue fund, which means that the two central provinces of Ontario and Quebec are paying 74 per cent of all these deficits. We have no control over rates or over the money the railways are spending on the system, on hotels, on ocean services and subsidiaries. Thirty years ago the province of Prince Edward Island sent up an old boat, the *Northumberland,* to be used on lake Ontario by the Canadian National subsidiary, but on two occasions the hon. member for Davenport (Mr. MacNicol) instead of going with his picnic to Port Dalhousie on such a boat as that, went in safety to Centre Island.

I can tell you this: too much is charged up to capital expenditures on the system which should be charged against earnings. Furthermore the refunding system is all wrong. Talk about subsidiaries; we cannot get a steam suburban service in the Toronto district, although Montreal has had one for thirty years. The headquarters of this national railways should be moved back to the public-ownership city where it started with the old Grand Trunk, in Toronto, and made all its money. They scrapped the old Grand Trunk in Ontario and used the funds to build the Grand Trunk Pacific from Moncton to Winnipeg.

I am opposed to the principle of this motion, for the reasons I have given. The capital structure is all wrong. The forgotten people are the taxpayers of Ontario and Quebec, who have to make up these deficits. The committee might just as well never meet. The time has come to revise the whole set-up of this system. Handouts of passes should be abolished and the British system of paying cash for everybody adopted instead. The board of transport commissioners has not been consulted on these various reports. It is all done over their heads. The Drayton-Acworth report set out what should be done with this government-owned railway, and how to avoid deficits. There is too much interference. The committee might just as well never meet because it has done nothing but whitewashing ever since it started.

Motion agreed to.

BRITISH FOOD CONTRACTS

INQUIRY AS TO CONTINUANCE OF EXPORTS

On the orders of the day:

Mr. H. O. WHITE (Middlesex East): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the fact that the agreement covering financial arrangements between the United Kingdom and Canada ends today, what provision is the government making so that Canadian food exports will continue without interruption?

Right Hon. J. G. GARDINER (Minister of Agriculture): The agreements do not end today, but on December 31 next. Arrangements were made last December covering down to December 31 next.

Mr. GORDON GRAYDON (Peel): Then what does the British Food Minister mean when he said that today was the day the agreements would terminate?

Mr. GARDINER: We have no such word here. I do not know what the newspaper reports from Britain may say, but we have had no indication to that effect. The agreements are continuing.

Mr. GRAYDON: That is not what Mr. Strachey said.

HOUSEWIVES CONSUMERS ASSOCIATION

QUESTION AS TO INTERVIEW WITH MEMBERS OF GOVERNMENT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I would like to direct a question to the government. Has it refused to grant an interview to representatives of the Housewives Consumers Association? If so, is the government aware that many of these ladies are members of all parties represented in this house and are not confined to any one particular group?

Hon. DOUGLAS ABBOTT (Minister of Finance): Perhaps I might answer that question, Mr. Speaker. Representatives of the Housewives Consumers Association have visited me on I think at least two occasions, perhaps three, and on each occasion some of my colleagues were present. I came to the conclusion, as they did, that the primary purpose of these delegations was to foster communist propaganda. I am quite aware, as my hon. friend the member for Rosetown-Biggar (Mr. Coldwell) has indicated, that a great many people who come with these delegations and form part of the association are not communists nor do they support communist propaganda. Nevertheless I came to the conclusion that that is what these delegations were being used for. One of the leading spokesmen in the last delegation who took an active part in the discussion was a well-known communist from the city of Toronto.

For these reasons the government felt it was not justified in facilitating movements of that kind. The advice that was given to these organizations was that the government would be prepared to consider any representations which they cared to make in writing, but was not prepared to facilitate mass demonstrations of this kind in Ottawa.

Mr. COLDWELL: May I ask a supplementary question? Is not the minister aware that refusal of requests of this kind will be used as communistic propaganda against the institution of parliament?

Mr. ABBOTT: I am quite aware of that. I and my colleagues have already seen this organization on three occasions. There have been large delegations each time. The third occasion was a repetition of the others; there was not a single new thing brought forward from what had been said on the other two occasions. I do not think it is the duty of myself, or of any of the ministers, to facilitate that sort of propaganda, and that is the reason why we refused them.

Mr. COLDWELL: That is what the refusal does.

Mr. ABBOTT: I will just add one thing, Mr. Speaker. I am glad that my hon. friend has brought this up, because it has enabled me to make this statement in parliament, and the people of the country can form their own conclusions.

COMMUNISM

VIMY DAY ADDRESS OF BRIGADIER MURPHY AT CALGARY

On the orders of the day:

Mr. D. S. HARKNESS (Calgary East): I should like to direct a question to the Minister of National Defence. Has the minister, or any of the officers of his department, communicated with Brigadier Murphy of Vancouver in connection with the Vimy Day address he gave before the United Services Institute at Calgary on the subject of communism? If so, what was the nature of the communication, and why was it sent?

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, I did not communicate with the brigadier and my office did not; and from inquiries that I have made so far I have been unable to find anyone of national defence headquarters who did.

(Translation):

POSTAL SERVICE

LACHUTE POST OFFICE AND LACHUTE MILLS POSTAL STATION

On the orders of the day:

Mr. GEORGES H. HÉON (Argenteuil): Mr. Speaker, before we take up the orders of

the day, I would like to ask the Postmaster General (Mr. Bertrand) a question, notice of which I have sent him. Did the minister receive representations recently from the Lachute Board of Trade regarding the cost of postal service between the Lachute post office and the Lachute Mills postal station?

Hon. ERNEST BERTRAND (Postmaster General): In answer to the hon. member, Mr. Speaker, I shall ask the officers of the department to investigate and in a few days I shall, as my hon. friend has suggested, answer the Lachute Board of Trade directly.

(Text):

INCOME TAX

QUESTION AS TO PAYMENT OF 1942 REFUNDABLE PORTION OF COMPULSORY SAVINGS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): May I be permitted to direct a question to the Minister of National Revenue? Can the minister inform the house what percentage of those who were entitled to a return of their compulsory savings portion of income tax for the year 1942 did receive them by March 31, the deadline set by the government when all refunds would be made? Can the minister inform the house as to when his department expects to complete rebates on the refundable portion of the tax that still remains to be paid?

Hon. J. J. McCANN (Minister of National Revenue): The hon. member sent me notice of his question, for which I thank him. The answer is as follows.

There was a total of 1,100,000 cheques in all to go out for the refundable portion of 1942. Of that number, approximately 200,000 could not be mailed because the department did not have the addresses. In that particular, may I mention that an attempt was made through a questionnaire and through a card system to obtain the addresses of all persons to whom the refundable portion was payable in 1948. It might amaze the house to know that of the 1,100,000 that were sent out, our information was to the effect that over 400,000 people had changed their addresses, or their names, or both, since 1942. I might say that the cheques have been left in the hands of the district offices and have been going out slowly since the end of March. The department has no way of telling how rapidly they will go, but is using every effort to trace the taxpayers to whom they should be delivered, and as fast as addresses come forward, the cheques will be mailed out.

Mr. KNOWLES: May I ask a supplementary question of the Minister of National Revenue, or perhaps it should be of the Minister of Finance, with respect to these compulsory savings? Reference has already been made to the 1942 savings portion repayment of which is now being made. Will consideration be given to making the remaining payments, that is, those for 1943 and 1944, in just one more bite instead of two?

Mr. McCANN: Under the present regulations, and I think the statute, the 1943 payment will be made in 1949 and the 1944 payment in 1950. Of course in the case of death, and an estate makes application for the refundable portion, it is paid; and in cases where persons who have a refundable portion coming to them, and are over sixty-five years of age and have an income of less than $5,000, the refundable portion is paid upon application.

Mr. KNOWLES: May I ask another supplementary question? Is it not true that the legislation sets the deadlines referred to by the minister, but that the governor in council can make payments sooner?

Mr. McCANN: The matter of combining the payments of 1949 and 1950 will be given consideration.

Mr. GRAYDON: That question should be directed over here, because we shall be looking after it then.

Some hon. MEMBERS: Oh, oh!

MARSHLANDS

PROTECTION, DRAINAGE AND RECLAMATION IN NOVA SCOTIA AND NEW BRUNSWICK

On the orders of the day:

Mr. P. C. BLACK (Cumberland): Mr. Speaker, I wish to inquire of the Minister of Agriculture whether he is now in a position to announce, or when he will be able to announce, the policy of the federal government with respect to the protection, drainage and reclamation of the marshlands in Nova Scotia and New Brunswick, as requested by the premiers and the ministers of agriculture for these provinces when they waited on the minister and the government on February 24 last?

Right Hon. J. G. GARDINER (Minister of Agriculture): The government has made an arrangement with the two provinces of Nova Scotia and New Brunswick as the result of a meeting which was held, under which for this year we are advancing certain

moneys to each of these governments which form part of an expenditure under which the provinces, the farmers and this government are sharing in the reconditioning and repair of dikes of the marshlands. The plans for the permanent policy proposed have not yet been put into form. I rather expect that they will be considered very shortly and some decision reached with regard to them.

Mr. CRUICKSHANK: May I ask a supplementary question of the Minister of Agriculture? Will the same consideration be given in connection with dikes in the province of British Columbia that is given in the maritimes. If not, why not?

Mr. KNOWLES: There are two by-elections on out there.

Mr. CRUICKSHANK: I am asking the question.

Mr. GARDINER: We are carrying on operations in the Pemberton area of British Columbia on a similar basis.

Mr. CRUICKSHANK: That is not the Fraser valley.

Mr. GARDINER: We are carrying on operations on a similar basis and for about the same amount as in the maritimes.

SUPPLY

FREIGHT RATES—INCREASES ORDERED BY TRANSPORT BOARD—AMENDMENT, MR. COLDWELL—SUBAMENDMENT, MR. BRACKEN

The house resumed from Tuesday, April 13, consideration of the motion of Mr. Abbott, for committee of supply, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Bracken.

Mr. GORDON B. ISNOR (Halifax): Mr. Speaker, on April 5 the hon member for Rosetown-Biggar (Mr. Coldwell) rose in his place and asked leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely, the proposed increases in freight rates authorized by the board of transport commissioners, which rates it is understood to be posted by the railroads concerned on April 8. Having received permission, the hon. member proceeded to present to the house a very reasonable and well thought out argument.

Mr. GRAYDON: Less noise in the house.

Mr. ISNOR: Thank you.

Mr. SPEAKER: Order.

[Mr. Gardiner.]

Mr. ISNOR: Again I say, as I have said in the past, that the hon. member for Peel is always considerate, and apparently he is anxious to hear what I have to say. I appreciate his kind consideration.

I was saying that the hon. member for Rosetown-Biggar proceeded to present a very reasonable and well thought out argument as to why he did not believe that the decision of the board of transport commissioners was one which would be well received in all sections in Canada. After he had presented his case he was followed by other members representing the different parties, and together with two other members from Nova Scotia I had an opportunity at that time of taking part in debate.

While I do not wish to go over the ground which was then covered, I do wish to refer to certain remarks I made on that occasion, because of the amendment by order in council which was later introduced by the Minister of Transport.

At that time I did not have the report of the Canadian National Railways, although I did point out that it was difficult for those residing in the maritime provinces to understand why a 30 per cent increase in freight rates was necessary, in view of the large increase in revenue in 1947 over 1946, particularly in connection with freight operations. Since then I have received a copy of the annual report of the Canadian National Railways, and it is shown that 78·2 per cent of the total revenue of the railway company was derived from freight rates. That 78·2 per cent in 1947 represented $342,582,002 as against $300,313,198 from the same source in 1946, an increase of $42,268,803 in the freight receipts. It was also shown in the report that there was a decrease in the passenger traffic, represented in dollars and cents, amounting to $7,110,000. I mention that figure because, in the summing up of the case by the board of transport commissioners in their finding, they took the whole operation into consideration.

I should like also to point out that there was an increase in the express rates. Whereas in 1946 the receipts for express were $19,579,478, in 1947 they had increased to $21,251,783, an increase for the year of $1,672,304. Therefore it was a little difficult at the time this decision was made for the man in the street to understand why this increase was granted.

It is true the application made by the two railways was for an increase of 30 per cent, and having received representations from the

various provinces and parties throughout the dominion, they decided that 21 per cent was all that was necessary.

Representations were made from seven of the nine provinces. It was mentioned on one occasion, as something rather strange to those living in other parts of Canada than Ontario and Quebec, that these two provinces did not make representations. Well, I believe the other sections of Canada know the reason. These provinces were not greatly concerned with the application for increased rates; they had other methods of looking after their transportation problems.

The two central provinces are thickly populated; they are prosperous; they are industrialized to an extent attained by no other province in the dominion. Therefore they were not greatly concerned, and for that reason did not deem it necessary or advisable to argue against the increase, nor indeed to show the slightest interest in it.

I have said that they had other means of taking care of their transportation problem, and I have trucks particularly in mind. They have an organization, largely centred in Ontario, known as the Canadian Automotive Transportation Association, with 5,000 members and employing something like 70,000 persons. They are able therefore to transport goods in certain areas much more efficiently perhaps, and certainly in a manner which gives greater service to the user, than the railways, who depend to a large extent on their long hauls.

I say that Ontario and Quebec, with their population of roughly speaking 7,000,000 people as compared with 1,100,000 in the maritimes, found it hard to appreciate the significance of the increase brought into effect, particularly as Ontario and Quebec were served by this trucking association whose lines extend to every part of these two provinces, doing an exceptionally big business.

I am not criticizing the operations of this organization. They serve a good purpose and I believe in competition. But I repeat that it is because these highly industrialized areas have thickly populated centres that the organizations can operate to the extent that they do.

I noticed in a recent publication an illustration which brings home the points I have in mind, in a comparison between industries in the extreme east and those in the central provinces. I quote:

> You know that at Oshawa there is a huge plant manufacturing motor cars and trucks. The axles for these vehicles are made not in Oshawa but in St. Catharines. How do the axles produced on the St. Catharines assembly line flow smoothly into that main assembly line at Oshawa? Two hundred and forty axles a day have to be delivered. A highway transport company spent weeks working out this problem with officials of the two plants. Four specially designed tractor-trailers were assigned to the run, and a system of carefully scheduled deliveries was evolved. The result is that axles produced at St. Catharines today, Tuesday, will be components of the new cars and trucks rolling off that Oshawa assembly line some time tomorrow.

We find therefore that they are able to give service in Ontario such as we lack in the maritimes. And may I say that whereas this association has connections throughout the central provinces, extending westward, there are no such connections in the maritime provinces. They state definitely that they have no similar organization to carry on their activities in the maritimes.

So you see, Mr. Speaker, that we were concerned about this railway freight rate increase, because we felt that no matter what the increase might be, it would result in a heavier burden on our section of the country than would fall on the two previously mentioned industrial areas.

I pointed out, in my previous remarks on this subject, the background, the early days of the railway system. I referred to confederation, the manner in which Nova Scotia and the maritimes entered it, the undertaking to build the old Intercolonial railway system and to connect Nova Scotia by rail with the industrial areas of central Canada. The measures were designed also to increase the population of the two central provinces, which certainly has been the result, and to industrialize them; but at the same time they would provide a means whereby we should be able to ship our goods into those two large central provinces.

Unfortunately, Mr. Speaker, it has not worked out in that way. It is a long haul from Halifax, we will say, to Toronto, as it is to Montreal and into the larger centres. Unfortunately, manufacturers in the maritimes must bring certain of their products all the way from these industrial centres down to the east coast, and then ship the goods in manufactured form back to the central provinces against keen competition. So I say we have been more or less labouring under a handicap ever since the days of confederation.

The Minister of Transport (Mr. Chevrier) and others may argue that this matter does not enter into the application as presented before the board of transport commissioners and that for this reason they were unable to

deal with it. I raised that point when I spoke on April 5, and I am going to raise it again today because of the wording of the amended order in council placed before us by the Minister of Transport.

I contend that the reference limited the board of transport commissioners in their findings and deliberations. They dealt with the matter purely from the point of view of dollars and cents and did not take into consideration the spirit of confederation as outlined on many occasions, and as so well set forth by the hon. member for Queens-Lunenburg (Mr. Winters) in his remarks on this subject yesterday. I feel that it is necessary, if we are to bring about a proper adjustment of freight rates, to deal with this subject not only from the point of view of dollars and cents, but also, and more particularly, from the point of view of the spirit of confederation, looking to the development of trade between one section of the country and another. If there is anything in the freight rate structure which is detrimental to any particular section, that structure should be overhauled and a remedy should be found if possible.

Let me read what I said on April 5 on this question, as reported at page 2641 of *Hansard*:

> From my point of view, what is important is the question of trade connections which must be maintained throughout all parts of Canada, and that is a matter which, I suggest to the minister, and through him to the cabinet, should be given serious consideration.

Later in my remarks, as reported in the next column of *Hansard,* I had something to say along the same lines:

> Therefore I say it might be possible for the board of transport commissioners or the government itself to consider whether the whole railway structure should not be revamped so as to bring it more in line with a service to the country such as that given by the postal department.

Again I had in mind the trade of our section of the country with central Canada.

The hon. member for Queens-Lunenburg also touched on maritime freight rates. If I may be permitted to touch on the reasons for what was done in that regard, I should like to do so just briefly. We were not given any preference at that time. It is true that the rate was readjusted and there was an allowance of 20 per cent made to us, but it was not any preference. It was simply a matter of adjustment. At that time, through a review, it was shown and clearly set forth that the index of operations on the old Intercolonial had risen over a period of years to 192—the index being 100, of course—thus showing a 92 point increase. The index in other sections of the country had increased to only 155, or a 55 point increase. So there was an increase there in the beginning that we must overcome. It was because of the endeavour to equalize the freight rates in all parts of Canada that we in the maritimes were granted an allowance of 20 per cent. Twenty per cent of 192 is 38, and that brings us down to 154 or one cent below the 155, which is no preference so far as we were concerned. We felt at that time that we were simply getting what was rightly ours, and today we are asking for the same consideration, the same attention, that we received on that occasion.

We do not think this 21 per cent increase will result in a horizontally equalized freight rate from one end of Canada to the other. Once again in some cases we shall suffer and be working under a handicap. So as I say, Mr. Speaker, I had hoped that the minister would enlarge the reference which he placed before this house two days later. He brought in a copy of an order in council which in its terms, while asking the board of transport commissioners to look into the over-all structure, did not go as far as I had hoped it would. The orders in council are described in *Votes and Proceedings* as follows:

> Order in council P.C. 1486, approved April 7, 1948: providing that certain tariff schedules authorized by order No. 70425 of the board of transport commissioners for Canada of March 30, 1948, be not interfered with.
>
> Order in council P.C. 1487, approved April 7, 1948: directing the board of transport commissioners for Canada to make a thorough investigation of the rates structure of railways and railway companies which are under the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rates structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities in the various provinces and territories of Canada . . .

When the Minister of Transport spoke yesterday, he did so in an exceptionally fine manner. He is outstanding in that respect, and it is only natural that we followed his remarks with a great deal of interest. In fact I believe the country will read and re-read what the Minister of Transport had to say because his speech contains a great deal of information. Not only did he give us a clear picture of the matters with which the board of transport commissioners have to deal, and the manner in which they must deal with them in making a decision in connection with an application for an increase in rates, but he gave us background material which was most helpful. Then he referred to the powers of the board of transport commissioners, and pointed out that

the order was sufficiently wide to permit the board to approach the question from all angles.

I am not a lawyer. I am just an ordinary businessman, and certainly would not think of offering my opinion against that of so brilliant a lawyer as the minister. I cannot help believing, however, that there has been a slip in the wording of the minister's order. In some of the judgments the board takes the view that it cannot handle questions relating to trade. Let me place before the house one or two of those judgments. I do not know if I am proceeding in the proper manner in my presentation, but I am sure my legal friends will correct me if I am not doing it properly.

In the case of the application of the District Board of Trade of Coalhurst, Alberta, the finding is stated in these words:

> The board under the Railway Act has no profit and loss responsibilities, and its intervention in the matter of rates must, as has been indicated, be concerned with matters falling within the categories of reasonableness and unjust discrimination and not with a policy of the development of industries through rate adjustments.

So if we in the maritimes are to gain the point we have in mind, there is question in my mind as to whether the board can deal with the matter in the broad sense I have indicated.

Another quotation states:

> The board has no power to regulate tolls for purposes of equalizing costs of production or geographical or climatic or economic conditions.

That was the statement in connection with an application by the Imperial Rice Milling Company *vs.* the Canadian Pacific Railway Company, case No. 376.

Then there is one other, the British Columbia News Company *vs.* Express Traffic Association, which reads as follows:

> It is not the board's function, as delegated by parliament, to make rates to develop business but to deal with the reasonableness of rates, either on complaint or of its own motion.

Therefore I say one can understand why we in the maritimes and those in other sections of Canada are concerned as to whether the board of transport commissioners will be able to make its finding as full and as broad as we had hoped it would be in a position to make it.

Following the tabling of the order by the Minister of Transport, the hon. member for Rosetown-Biggar (Mr. Coldwell) moved an amendment. I believe I was fair when I stated that the hon. member made a splendid presentation of the matter on April 5; I felt that on that occasion he was fair, and that he created a good impression throughout Canada. But when he introduced his amendment and was so definite in stating that it was a motion of want of confidence in the government, then I believe he undid all the good he had done. He showed clearly that he was trying to make merely a political manoeuvre, and I feel the hon. member did not do himself justice. Instead of its being a smart move, it rebounded and there has been considerable criticism.

Mr. KNOWLES: You mean he put you on the spot.

Mr. CHEVRIER: He thinks he did.

Mr. ISNOR: The hon. member for Winnipeg North Centre (Mr. Knowles) says it puts me on the spot. Well, I am glad to know that was the intention of the hon. member for Rosetown-Biggar—

Mr. KNOWLES: That was the result.

Mr. ISNOR: —in moving his amendment, because I had an idea that it was something like that. And if it is a question of putting me on the spot, then I do not hesitate to meet it.

Mr. KNOWLES: Will the hon. member permit a question? Does he recall that the hon. member for Fraser Valley (Mr. Cruickshank) asked that someone present a definite motion on this matter, even though it was a motion of non-confidence?

Mr. ISNOR: I was referring to the motion made by the hon. member for Rosetown-Biggar.

Mr. KNOWLES: We made the motion we were asked to make from your side of the house.

Mr. ISNOR: Because of the wording of the amendment offered by the hon. member for Rosetown-Biggar, and his emphasis on the fact that it was a motion of non-confidence—and the hon. member for Winnipeg North Centre now reaffirms that fact, and says it was done to put me on the spot—I would say that it was in the true sense a political move which is not in the best interests of the country and does not meet with the wishes or approval of those who, like myself, are sincere in regard to this matter of freight rates.

When that amendment was introduced it gave me a greater opportunity to study what the Minister of Transport had to say. I do not know whether it will take six months or a year to find out what we want to find out. But we do know that so far as the decision of the board of transport commissioners is

concerned—and I am prepared to accept the words of the Minister of Transport on this point—there was nothing else that the board could do, so far as their reference was concerned. It was simply an application made by the two railway companies of Canada for an increase in freight rates. The board gave consideration to that application and made its finding. That is final. Now, in an effort to assist the east and west, shall I say, the Minister of Transport has broadened his reference and taken a step which I trust will help my section of the country to readjust matters so that we may be in a better position to compete with industry in central Canada.

I was hoping the minister would have made his reference even broader. I hold in my hand the report of the royal commission on maritime claims, which contains a letter written by the then prime minister to Sir Andrew Rae Duncan, the chairman of that commission. The other members were Hon. W. B. Wallace and Professor Cyrus Macmillan. This letter, dated April 17, 1926, states:

To the Chairman and Members
of the Maritimes Royal Commission:

Gentlemen:

The government of Canada is asking you to undertake a task of national importance in inquiring into maritime province grievances. The scope of the inquiry is indicated in the order in council constituting the commission. My colleagues and I desire to emphasize our conviction that the commission should not interpret its instructions or its duties in any narrow or technical sense, but should take every opportunity for the fullest and frankest discussion of the economic difficulties facing this part of the dominion, the endeavours which have been made to overcome them, the causes of any shortcoming in these endeavours, and the most effective and practicable remedies.

The question is not a new one. What is necessary now is to focus the discussion into a practicable program, to take stock of what has been done, of what has been left undone, and of what still may be done.

Then the prime minister of that day went on to refer to our railway problem, the closing paragraph of his letter reading as follows:

I am sure that I am speaking for the people of Canada as a whole when I say that it is our earnest desire that the impartial and thorough inquiry which we anticipate will be made will result in clearing away any misunderstanding or lack of appreciation of one another's problems, and will assist in working out constructive policies for the continued development of the maritime provinces and the welfare of all parts of our common country.

That was signed by the Right Hon. W. L. Mackenzie King, who was then the Prime Minister of Canada. I say to the Minister of Transport that I had hoped he would have found it possible to enlarge his reference to include the spirit indicated in that letter of the Prime Minister in 1926. I am still hopeful that the minister will show his interest —I know he has done so already—by allowing this matter to be discussed in the broadest way so that the board of transport commissioners will have the feeling of hon. members from various sections of Canada.

I do not know that they can bring in a satisfactory finding with the present reference. I state again that I am not a legal authority. But there is a difference of opinion. I do feel that the minister has taken a step toward what we have in mind when we ask that the whole railway structure be revamped in the far as it applies to the maritimes will be carried out.

I feel that much good has been done by this discussion. I think the country has a greater understanding of the problems of our railway systems and will appreciate what they are endeavouring to do in the way of providing proper transportation facilities.

As I mentioned in my remarks on April 5, I appreciate, and I think every hon. member who has had any training in business appreciates—I believe the manufacturers, even though they are called upon to pay increased freight rates, recognize this—that you cannot operate a system or any type of business without the necessary revenue. I did not have the report of the Canadian National Railways when I spoke previously, but today I have before me details of the increased cost of the various items which are necessary to carry on a railway system. It is shown clearly that increased revenue must be obtained if they are to get away from the continuing deficits which they had in pre-war days and which they are again showing to the extent of $15,000,000 for the current year.

I am doubtful whether the board of transport commissioners were justified in confining their inquiry to freight rates, which represent 78·2 per cent of the revenue. There is a question whether they should not have considered the over-all picture of the Canadian Pacific and the Canadian National and made a finding on that basis. If they had, I feel sure that the increase would not have been as large as seemed necessary when they were dealing only with one branch of the operations, namely, the freight structure.

I do not apologize for having spoken the second time on this question. I felt it was necessary to do so in view of the additional information supplied to us yesterday by the Minister of Transport in his splendid presentation of the freight rates case. I do not hesitate to stand here in my place or face my

people. They know how I stand in regard to maritime rights. They know my interest in Nova Scotia. They know that my whole interests are tied up in the development of that particular section of the country. I do not hesitate to stand here today and say that I will not vote for an amendment which is really a vote of no confidence in the government.

Mr. GREEN: We did not expect you to.

Mr. ISNOR: The hon. member for Vancouver South says that he did not expect me to. That is the political attitude the hon. member always shows. He is a fine chap outside the house but when he comes into the house he immediately adopts a political bias which it is hard for me to understand. I would not have dared to say this if the hon. member had not brought it on himself. I say to him in a most kindly way that I am just as sincere in working for Nova Scotia as he is in working for the interests of Vancouver and British Columbia.

It is because of that and the good government which we have had, it is because assistance has been given to Nova Scotia and the maritimes on more than one occasion, that I am not going to vote in favour of a no-confidence motion moved by the leader of the C.C.F. or by any other member of that group.

Mr. A. J. BROOKS (Royal): Mr. Speaker, we have listened with a great deal of interest to the remarks of the senior hon. member for Halifax (Mr. Isnor). I agree with much of what he said. First, I agree with his statement that the board in its report did not deal with the subject from the point of view of the spirit of confederation but rather more from the point of view of dollars and cents. That is one of the main objections we from the maritime provinces are taking.

The hon. member also mentioned the fact that he had spoken on this matter before. I also spoke on this matter on a previous occasion and I am not going to apologize for speaking again. I have received a great many letters, telegrams and long distance telephone calls from my own province of New Brunswick. These indicate that people in that part of Canada are still greatly agitated over the freight rates situation. I feel that we are entitled to do all we can to place before the public the true situation of the maritime provinces.

I wish to say at the outset that I am not opposing general increases in rates; after reading the report I feel that increases are necessary. However, what I do question is the method adopted for increasing those rates. I feel that the increase could have been adapted to the situation existing in the various provinces and should have been equally and fairly distributed. I do not think that is the situation.

As I said on April 5 when I spoke before, I consider that we in the maritimes are again being asked to pay more than our full share of the cost and have had placed upon our shoulders more than a full share of this burden.

The senior member for Halifax has given the house something of the history of these freight rates. The history is a long one. Transportation was one of our main problems at the time our province entered confederation, and one of the reasons that induced our province to come in was the assurance given that we would have access to the markets of Canada. From 1867 down to 1912 we were fairly well treated in that regard, because the different governments of Canada allowed the maritime provinces more or less to adjust their own freight rates. But in 1912 a new situation arose. The Intercolonial railway, which was the railway given to the maritime provinces at confederation, was taken over by the Canadian National Railways and in 1912 or 1913 there was an increase of ten per cent in the rates so far as the maritime provinces were concerned. In 1915 there was a further increase of five per cent, and in 1918 another increase of fifteen per cent. For the information of members from other parts of Canada I might point out that the first two of these increases applied only to the maritime provinces, the one in 1912 and the one in 1915. The minister will bear me out in that.

Mr. CHEVRIER: I am sorry I was not following the hon. member.

Mr. BROOKS: These increases applied only to the maritime provinces, not to the rest of Canada. That is correct. Then in 1918, as I have said, there was another increase of fifteen per cent. All these increases began to put an intolerable burden on the maritime provinces, an increase of many millions of dollars which fell on the shoulders of our people in the maritime provinces and not on the rest of Canada.

In addition it should be pointed out that the maritime provinces have more than borne their share in providing railway extensions for other parts of Canada. When the western provinces were formed, new railways were constructed and the maritime provinces contributed many millions of dollars as their share of that expenditure. So, all in all, our maritime provinces have more than paid their share so far as railway construction and railway freight rates are concerned.

The situation had become so intolerable in 1925 that all the members of parliament from the maritime provinces joined together in a movement known as "Maritime Rights", in which politics were forgotten so far as the individual members were concerned, all uniting their efforts to remedy the situation. Those efforts resulted in the appointment of the Duncan commission, which investigated the situation and made certain recommendations. I have never felt that those recommendations have been fully implemented. As a matter of fact, when I happened to be in London, England, a few years ago, I had the honour to meet Sir Andrew Rae Duncan, and he asked me what part of Canada I was from. When I told him I was from the maritimes he said, "You in the maritime provinces are the most long-suffering people there are in Canada, possibly in the whole world. I made certain recommendations in my report but those recommendations have never been fulfilled."

Be that as it may, Mr. Speaker, I am not now discussing those recommendations except the one which has to do with freight rates. The government of that day, 1926, felt that the freight rates problem in the maritimes was a very serious one and that it should receive first consideration, and accordingly it passed in 1927 the Maritime Freight Rates Act. Since then we have been fairly well satisfied with our freight rate structure, but the situation in the maritime provinces has been such that we have not been able to take full advantage of those rates. We all remember that from 1929 to 1938 there was a great depression in this country and business shrank, with the result that the maritime provinces did not have an opportunity to develop manufacturing industry as they would have liked to do. Then from 1939 to 1945 we passed through a second world war, during which the maritime provinces had no opportunity of developing the industries they would have liked to develop.

In 1947 and 1948, when possibly we could have made some advances, we find ourselves handicapped by the imposition of these increased freight rates, a horizontal increase of 21 per cent on all our industries in the maritimes. To show that these increases are having a very serious effect in the maritime provinces, I should like to quote a paragraph or two from a telegram that was sent to the Prime Minister (Mr. Mackenzie King) on April 9 last by the chairman of the transportation commission of the Maritime Board of Trade. For the information of hon. members, the commission is composed of men chosen from every political party in the maritime provinces, outstanding men chosen for their knowledge of railway matters and economics, and whose judgment is considered sound. They are men who are not easily alarmed. This is what the chairman of the transportation commission said in his telegram to the Prime Minister:

> You as the head of the then government—

He was speaking of the government in 1926.

> —authorized the hearings of the Sir Andrew Rae Duncan commission which recommended the present Maritime Freight Rates Act. In the opinion of this commission the spirit and terms of this act have been violated and in addition to that the imposition of an horizontal twenty-one per cent increase in freight rates means that maritime industry in many cases will be seriously affected and in some cases destroyed.

That is pretty strong language and, as I say, it comes from men who are not alarmists but men of good sound business judgment in the maritime provinces. The telegram goes on to say:

> This is not only true in regard to industry but it applies with equal force to agriculture.

The telegram is a long one but that is all I shall quote at the moment.

I should like to point out that as to the judgment of the board of transport commissioners, counsel who represented the maritime transportation commission expressed the opinion that the spirit and terms of the Maritime Freight Rates Act had been violated. It was also pointed out that no recognition was given to the strong contention of the maritimes that in the event increases were found necessary the board, under the Railway Act, had power itself to exempt or provide limitations to percentage increases. The board itself in its judgment on page 43 has this to say:

> For the maritime provinces it is essential that they continue to find, to a considerable degree, markets for their primary products, as well as their manufactured products, in the more densely populated areas of the provinces of Quebec and Ontario, where competition is keen. The number of manufacturing industries in New Brunswick and Nova Scotia is not large, but they are of much importance to the areas concerned. In spite of the distance from the markets to be found in the large centres they have, with, perhaps, one or two exceptions, managed to overcome largely their geographical disadvantage and make progress. For these industries concern is expressed lest they be put at a disadvantage with their competitors, in the event that a horizontal increase in freight rates such as applied for is allowed.

I might say that nothing was done about this. What I have read is part of the judgment of the board that was studying this matter.

The question arises as to whether these freight rates in any way affect our industries in the maritime provinces. Mr. Rand Matheson,

who is secretary of the maritime transportation commission, has made a study of the question. He found, for instance, that on hard woods from Antigonish to Toronto there will be an increase of $2.80 per 1,000 feet. With competition such as that, I ask this house, how is it possible for these people in Antigonish to compete with industries in Ontario and Quebec? He estimates that on apples from Kentville, Nova Scotia, to Toronto the increase will be twenty-seven cents a barrel.

When I was speaking on this matter a few days ago I pointed out that the Annapolis valley of Nova Scotia, in the past, under the empire trade agreements, had an opportunity of sending its apples to Great Britain; as a matter of fact, I think 90 per cent of the pick of the apples in the Annapolis valley was shipped overseas. These apples must now find markets in central Canada and in other parts of Canada. In order that they may be shipped to central Canada, they will have to meet an increase of twenty-seven cents a barrel in freight rates. He also spoke about feed grains. It has been announced in the house that the assistance to feed grains will be continued as before, and I wish to thank the Minister of Agriculture (Mr. Gardiner) for this and assure him that it will be of great benefit to the farmers in the maritime provinces.

Sixty thousand tons of fertilizer are used in New Brunswick alone. To a great extent this fertilizer comes from Hamilton, Ontario, and from other parts of Ontario. The increase in freight on fertilizer is $1.40 a ton, which will increase the cost of producing potatoes and other farm produce in New Brunswick. Mr. Matheson says that potatoes from Charlottetown, Prince Edward Island, and Grand Falls, New Brunswick, will be increased six cents a 75-pound bag. Besides having to pay the extra cost of fertilizer, farm machinery and everything else that goes into the production in the maritimes, we shall also have to pay the extra amount of freight and still try to compete with the farmers of Quebec and Ontario. Frozen fish from Halifax and Saint John to Winnipeg will be increased thirty-one cents per 100 pounds. Steel sheet for manufacturing, shipped from Hamilton, Ontario to Sackville, New Brunswick, will be increased by $2.40 a ton. I might point out that in Sackville, New Brunswick, a very high grade of stove is manufactured. These people have been able to compete in the past with like articles all across Canada. With this increase in the material coming from Ontario to the maritimes, and then again the increase in freight rates from the maritimes to the different markets, it will be almost prohibitive for this industry and many other similar industries in these provinces.

Mr. Matheson also analysed the difference in first-class and fifth-class freight rates per 100 pounds. He points out that on the first-class rate from Halifax and Saint John to Windsor, Ontario, there is an increase of four cents per 100 pounds over the difference established by the Maritime Freight Rates Act. He points out that we are not getting the benefit of the Maritime Freight Rates Act, and that this is a violation of that act.

When I spoke before I think I mentioned the fact that $8,000,000 will probably be the amount that the maritime provinces will have to pay out of the $70,000,000 which will be received from the increase. The senior member for Halifax mentioned it today. In the maritimes we have a population of about one million people. There are approximately thirteen million people in Canada. We are paying $8,000,000. If we paid our proper proportion, and everything else was equal, we would be paying one-thirteenth of the cost of this increase instead of just a little over eight per cent.

I should like to refer to another industry in New Brunswick which has been giving, perhaps more than any other, considerable concern. I refer to the coal industry. The coal industry in New Brunswick is not a great industry when compared with the same industry in other parts of Canada. As a matter of fact it is a small industry when compared with the great industry of Nova Scotia and of Alberta and of other sections. But to us in New Brunswick it is a very important industry. As a matter of fact the whole economy of our province is more or less bound up in the coal industry around Minto and Chipman in our province. We get our hydro electric development from the production of coal. Our pulp and paper mills use our coal, and there is a splendid market right in our own province for the coal production if we were not interfered with from the outside. I should like to point out to the Minister of Transport (Mr. Chevrier) just how we are interfered with so far as coal is concerned. I have mentioned it in this house on previous occasions. On Nova Scotia coal which is shipped out of that province there are what are known as subventions. These subventions are paid on coal shipped by that province to Ontario and Quebec and also to New Brunswick to the extent that Nova Scotia coal can be shipped into New Brunswick and delivered at

points such as Bathurst, Newcastle, Chatham, Dalhousie and to other industrial centres at a lower rate or at the same rate as is paid for New Brunswick coal. The result of that competition is very unfair, and it has made it very difficult indeed for the New Brunswick coal operators and coal mines to carry on.

Just the other day the Minister of Trade and Commerce (Mr. Howe) assured the hon. member for Cape Breton South (Mr. Gillis) that in any increase in the freight rates as far as Nova Scotia coal was concerned there would be a corresponding increase in the subventions. This will make a more serious situation in our province because, as I mentioned a moment ago, no subventions are paid for New Brunswick coal which is being shipped in the province itself, where most of our coal is consumed. The result will be that the competition, which has been very severe in the past, will be more severe than ever.

In that connection I should like to read some telegrams I have received from the mining industry in the province. The first one is dated Minto, April 21:

If the freight rate increase authorized by the board of transport commissioners is allowed to remain in force the coal mining industry upon which this community depends will suffer most seriously. Some time ago we gave you information showing the serious financial and competitive position in which this industry has been placed. The direct result of this increase will be to make that position very much worse. Indirectly this industry will suffer because of the general curtailing effect upon all New Brunswick industries. In view of this most critical situation every New Brunswick member has a most serious responsibility placed upon him, also a great opportunity to give vital service to his province. We urge you therefore to use all your influence to protect the interests of this community and this province by having removed this unjust and unequal burden which has been placed upon us.

That is signed by the Minto chamber of commerce. There is a further telegram from the same community addressed to myself:

This New Brunswick coal mining industry has for a long time been suffering from discriminatory freight rates. The present increase will make the situation worse. The announced increase in subventions to the central provinces will not help us as our market is nearly all within New Brunswick. Because of this our percentage increase will be higher than the average. In one of the worst instances the rate jumped from 30 cents to 55 cents per ton on a haul of three to ten miles. Coal mining will also suffer because all New Brunswick industry will be given a severe set back. We are looking to you to stand firmly for the rights of this province and to do everything possible to protect this industry.

[Mr. Brooks.]

This is from the New Brunswick coal producers association. The minister may tell me that there has been a five cent reduction in the twenty-five cents per ton on coal moving in the maritimes.

Mr. CHEVRIER: So I understand.

Mr. BROOKS: I noticed a Canadian Press dispatch this morning. The five cents is not very much, and I am sure it will not help to any extent the situation I have indicated.

Mr. CHEVRIER: I said I have seen it, but I cannot say officially that there is. I would not like to be committed.

Mr. BROOKS: I noticed a Canadian Press dispatch from Moncton, New Brunswick, saying that there is a five cent freight rebate on coal in the maritimes. I do not believe this will help the situation very much, and I hope that when these freight rates are being considered the minister will see that very careful consideration is given the coal situation in the province of New Brunswick. That industry is fast being driven out of business. I have mentioned it time and again in this house, and the situation is far worse today and will be increasingly worse under the present freight rates.

I do not intend to detain the house for any great length of time. I have mentioned how our industries have suffered in the past. We have not any great number of industries in our provinces, but those that we have have been able to exist and to do business in Upper Canada, as we call it, and in other parts of the dominion, more by reason of the excellence of the goods they produce than for any other reason. The quality of the goods produced in the maritime provinces is of the very best.

I see some members smiling, but I need mention only such commodities as the Hartt boot and shoe, considered one of the finest if not the finest produced in Canada. I might mention Stanfield underwear, than which I do not think there is anything finer. I could mention Moir's chocolates and Ganong's chocolates and the Enterprise stove. These goods are all of the finest quality, the equal of any similar goods produced in this country. It is for that reason and for no other that these particular industries have been able to survive and to compete with others in the same line in Canada. I hope that everything will be done to ensure that those industries which we have will be allowed to live.

I listened to the hon. member for Queens-Lunenburg (Mr. Winters) as he made his elaborate excuses why he would not vote for the amendment. I also listened to the senior

member for Halifax this afternoon when he said that he was not going to support the resolution.

Mr. ISNOR: Mine was not an excuse but a good reason.

Mr. MACDONNELL (Muskoka-Ontario): Did he say he would not support it?

Mr. BROOKS: Yes; he said he would not support it. The amendment proposed by our party states that it regrets the government's failure to secure removal of inequalities and discriminations in the Canadian railway freight rate structure before the imposition of the horizontal increase of 21 per cent. The hon. member has made two speeches and in both he has regretted that very fact. I would refer the hon. member to his own premier, who spoke in no uncertain terms regarding this very point. I would refer other members from the maritimes, from Prince Edward Island and New Brunswick, to the statements of their own premiers, and I would ask them whether they are going to support the premiers of the three maritimes, who are Liberals and not C.C.F. or Conservative. I appeal to these members of the House of Commons to stand up and support what they consider to be in the best interests of the maritime provinces. I do not think these men were very enthusiastic before they attended their caucus the other day.

Mr. ROSS (Souris): They always swallow themselves.

Mr. BROOKS: I should like to know what happened in the caucus.

Mr. CRUICKSHANK: Join the Liberal party and find out.

Mr. BROOKS: The hon. member for Fraser Valley (Mr. Cruickshank), if I remember correctly, was one of the most enthusiastic ones. I wonder what happened. Talk about being put on the spot! I should like to see the eighteen Liberals from the maritime provinces put their government on the spot. I should like to see the western members, when in caucus, instead of saying that they are put on the spot here by the Conservatives or the C.C.F., put their own government on the spot and see that they do what our provinces are entitled to have done for them.

Mr. CHEVRIER: Your own party has never been more on the spot than it is now.

Mr. BROOKS: Make no mistake about that; our party is not on the spot. Our party knows exactly where it is going as far as this is concerned.

Mr. CHEVRIER: Does the hon. member know what his party did when this matter was up before, following world war I? If he did, he would not make that statement.

Mr. BROOKS: Whenever anything is brought up in the house the hon. gentleman, to defend himself, must go back twenty or twenty-five years, without records or anything else.

Mr. CRUICKSHANK: It will be fifty years before you get over on this side of the house.

Mr. BROOKS: This it not a matter of twenty-five years ago; it is a matter to be decided today.

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

Mr. BROOKS: Yes.

Mr. CHEVRIER: Is he in favour of increased revenues for the railways?

Mr. BROOKS: I am.

Mr. CHEVRIER: Thank you. Is he in favour—

An hon. MEMBER: You are making a speech.

Mr. BROOKS: What is the hon. gentleman's next question?

Mr. CHEVRIER: May I have the permission of the hon. member to ask him another question?

Mr. ROSS (Souris): Just one.

Mr. BROOKS: Yes.

An hon. MEMBER: Just one question.

Mr. CHEVRIER: The question is this. Is the hon. gentleman in favour of the investigation directed by the government into the inequalities of freight rates?

Mr. BROOKS: Yes. But what I am in favour of is the suggestion made by three maritime premiers to the effect that we should have waited thirty days and given them an opportunity to present their case.

Mr. CHEVRIER: Then the hon. gentleman should support the government.

Mr. BROOKS: I support the three premiers from my section of the country although, as I say, I am not on the same political side as they are. I am surprised at hon. members who are of the same political stripe when they do not give these three premiers the support to which they are entitled and to which I feel our maritime provinces are entitled.

Mr. ROSS (Souris): They are not even given a hearing.

Mr. BROOKS: In this connection I should like to quote what the *Telegraph-Journal* of Saint John, of April 12, says about this 21 per cent increase:

> The present twenty-one per cent rise in freight rates—in the considered opinion of the maritime transportation commission—sets us back to the desperate position in which we found ourselves after the first war. What are our representatives at Ottawa going to do about it?

That is the question which the Liberal members from Nova Scotia, Prince Edward Island and New Brunswick will be asked by the people of the maritimes. What are they going to do about that?

Mr. MACDONNELL (Muskoka-Ontario): And what an answer they will have to give!

Mr. BROOKS: Then the editorial goes on to say this:

> If those who sit in parliament for the seven non-central provinces pool their forces, they can compel the federal government to give their regions justice.

That is what the people of those provinces expect, that they will pool their resources and that they will make some effort to compel the government to do what they feel is justice for their provinces. The editorial goes on:

> The future will be resolved, then, by the actions of these men. The answer lies with them, and they cannot evade the responsibility.

That is a paper, Mr. Speaker, which is friendly to this present government; and when it publishes that, I am sure it is not publishing it in order to try to do the government any harm but rather is simply trying to present the case for the maritime provinces.

Mr. H. G. ARCHIBALD (Skeena): I rise to a question of privilege, Mr. Speaker. In the *Globe and Mail* and other papers of today there was a news item arising out of an interjection by me while the hon. member for Vancouver East (Mr. MacInnis) was speaking, which interjection cast a reflection on the hon. member for Grey North (Mr. Case).

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: The hon. member is rising to a question of privilege.

Mr. CHEVRIER: He cannot do it now.

An hon. MEMBER: He is doing it.

Mr. ARCHIBALD: When I made that interjection, Mr. Speaker, I was not thinking of any particular member of the house. My remarks were prompted by the general hubbub on the floor of the house.

[Mr. Brooks.]

Mr. J. S. SINNOTT (Springfield): The subject under discussion, Mr. Speaker, namely, freight rates, has caused considerable turmoil. The previous speaker said that a considerable number of members of the Liberal party did not know a few days ago what they were going to do. The pressure he talks about was not needed after the Minister of Transport (Mr. Chevrier) made his speech on the matter yesterday.

Mr. ROSS (Souris): Others spoke besides the Minister of Transport.

Mr. SINNOTT: I am not going to be misled or fooled by the amendment of the C.C.F. or by the subamendment of the Conservative party.

Mr. KNOWLES: You are already fooled and misled.

Mr. SINNOTT: The Conservatives, who were in command years ago, had the chance to make this equalization and failed to do so. The fact that the party in power now has given orders and instructions to the board of transport commissioners to find out the differentials and report thereon should be enough to convince us that the right thing is being done. I hold no brief for the railways who contend they need more revenue. It is true that the costs of materials, maintenance of way and wages, have all gone up. Naturally, the railways will need more money. But at the same time there are factors to be taken into consideration by the board which, I hope, will result in much benefit to eastern and western Canada. As this debate goes on, I hope the matter will not be treated as a political football but rather that hon. members will act in the interests of Canada as a whole and not merely in those of their own little sphere. I stand here as a dominion member, not acting for my own constituency; I am acting in as fair a manner as I can for the whole of Canada.

I claim that there should be no battle between the east and the west or between the central provinces and the east and the west. There is no doubt that there will be some hardship unless the board of transport commissioners make a wide adjustment of present rates. With the competition of waterborne traffic in the east and the competition of trucks, it will be imperative for the railways to have an over-all increase of 21 per cent. The very fact that the railroad rates are increased by 21 per cent will naturally result in the truckers getting more business, and the railways will have that much less revenue. The long hauls between Vancouver and Montreal will be the ones that take the

brunt of it, and the ones from Montreal east. What I should like to see is that the board of transport commissioners, before they arrive at their decision, take this matter into consideration and that the loss, if any, be suffered by the consolidated revenue fund of Canada.

Some mention has been made of the seven provinces which have made representations with a view to having the board's decision held up for thirty days. This has been a bone of contention for the last couple of weeks or so. Great emphasis has been laid on the benefit which would be derived from holding up the matter for thirty days. For my part, while I believe it might possibly have been better if that had been done, at the same time there is no object in doing so, from the very fact that the board of transport commissioners have now been given instructions to go ahead. The provinces have the chance to appeal. If they are right, they have the same opportunity as they had before.

The main freight hauling from western Canada to the east is in connection with grain. That matter has not been touched at all. Naturally western Canada is looking to eastern Canada for a market for its feed grain. The federal government is paying a subsidy on this feed grain moving east, and the amount of that subsidy is coming out of the consolidated revenue fund. This subsidy is helping to market our feed grain in eastern Canada. Because of the climate in eastern Canada it is far more convenient to feed stock there than it is in the western provinces.

I do not know whether I have been rightly or wrongly informed, but I have been given some information about the competition between the Canadian Pacific, a privately owned railway, and the Canadian National Railways, which is nationally owned. My information is that the effect of an order of the board of transport commissioners is that the Canadian National is not allowed to compete unfairly with the Canadian Pacific. I am informed that a train on the nationally owned line can travel from Vancouver to Montreal in about nine or ten hours less time but, because of the hampering restriction of the board of transport commissioners in curtailing speed, they are not allowed to compete in that way.

I believe that is one reason why trains of the Canadian National are running only half filled with passengers, while those of the Canadian Pacific are filled. This is the condition, despite the fact that the Canadian National track is straighter, their grade is lower, they use only one engine between Montreal and Vancouver and, if pressure were put on the board of transport commissioners or those who are in charge of the travel of these trains, they could make much faster time and still travel at a safe speed. I understand that the time between Winnipeg and Ottawa could be cut by seven hours. I believe that with these changes the revenues of the Canadian National would increase considerably. As I said before, I am voting with the government.

Mr. SMITH (Calgary West): No, no!

Mr. SINNOTT: That is not because I am a back-bencher, not because I have been forced into voting for them, but because I am convinced that the government is acting in the cause of justice for the whole of Canada.

Mr. E. D. FULTON (Kamloops): Mr. Speaker, in this debate on the subject of freight rates let me at the outset advance the point of view that this is a national problem, one of concern to the whole of Canada and, therefore, properly to be discussed in the House of Commons. At the same time I agree with the hon. member who has just taken his seat that there should be no controversy between east and west, or between the central provinces and the east and west. There should be no controversy; but we have to deal with actualities, and there will be controversy so long as the extremes of the country are at a disadvantage in this particular matter as compared with the central part. That being so, and the hon. member holding the belief he expressed as to the desirability of doing away with controversy, I suggest that he join with us in attempting to remove the causes of that controversy. That is what we are doing when we seek to have an equalization of freight rates as between British Columbia and the maritime provinces, and central Canada.

I do not intend to enter into a controversy as to who is actually most prejudiced by the present freight rates structure, whether it be the maritimes, the prairies or British Columbia. But I do wish to place before the house some of the rates in existence, so that hon. members may judge whether we in British Columbia are prejudiced.

In this connection I would quote from the judgment of commissioner MacPherson as it appears at pages 84 and 85 of the judgments of the board of transport commissioners for Canada. Referring at the outset of his judgment to the mountain differential, Mr. MacPherson says this:

> During the progress of the hearing it was pointed out by counsel for the provinces on many occasions that in Canada we have different grades or steps in the freight rate structure, viz.,
>
> The maritime rates (in preferred territory)
> The competitive rates of Ontario and Quebec

The prairie rates for Manitoba, Saskatchewan, and Alberta
The mountain scale or Pacific scale of rates.

Then he went on to say at page 85:

Then lastly there is the mountain or Pacific scale which is commonly referred to as mountain differential, whereby one and one-quarter prairie miles equal one mile in Pacific territory for rate purposes. I am of the opinion that this situation, which amounts to an increase of sixteen per cent over the prairie scale of rates, should be again reviewed at the earliest possible date.

By inference the commission is there agreeing with those who claim that on account of the mountain differential, which means an increase of sixteen per cent over the prairie rate which, in turn, is higher than the rate in central Canada, we in British Columbia are hardest hit by the freight rates structure. So that the importance of this question to British Columbia can be seen by reference to the judgment of the commissioner. We from British Columbia would ask the co-operation of all members in the house at this time to remove that differential, the cause of our grievance.

It has been said, and clearly proven, that the railway problem in Canada is a national one. The railways were constructed as part of a national policy in the building of Canada so as to ensure that our lines of communication, trade and commerce should be east and west, rather than north and south. That policy has carried with it certain benefits as well as some difficulties. But inasmuch as the whole of Canada has participated in the benefits, it stands to reason that the whole of Canada should be concerned about removing the disadvantages. Since it is a national policy it follows, also, that both the welfare of the railways which serve the national interest, and the welfare of the country in its relationship to the railways are matters of national concern, and should be discussed in parliament.

It follows from this reasoning that the welfare of British Columbia, as part of Canada, is also an item for consideration in this house. At this point I should like to deal with the argument advanced yesterday by the Minister of Transport (Mr. Chevrier) that the board of transport commissioners was justified in concluding that an increase in freight rates was necessary, and at the same time in making an award, without removing the discriminatory features in our freight rate structure.

During the course of my argument today I do not intend to question that some increase in revenue on the part of the railways is necessary. That fact I take for granted because, after all, after fourteen months of hearings the board has come to that conclusion. Certainly I would not question it, and I doubt

[Mr. Fulton.]

if anyone who has participated in the debate would question it. However, what I am concerned about is the minister's statement that the board was justified in awarding the increase without at the same time taking any steps to remove the discrimination.

It must be admitted that at that time the board concerned itself only with a revenue case. The minister himself said that, when at page 2898 of *Hansard* he is reported to have said:

The board dealt with and was faced purely with a revenue case.

I do not, however, accept the suggestion that there was no other issue before the board. I maintain that there was the issue of discrimination under the freight rates structure; and that aspect of the matter I would ask leave to deal with later.

I agree with the minister when he says that the main consideration before the board was the revenue aspect of the case, and also when he says that, in making its decision the board did not allow itself to give consideration to political or economic questions outside the matter of revenue. But I submit that political or economic questions, in the broadest sense of those terms, must be considered in arriving at any fair decision with regard to what freight rates may be found to be necessary. I say that is a national problem, and I submit that, therefore, the government of Canada must be concerned with the political and economic implications of the question and that the Canadian House of Commons is the proper place in which to make our views known to the government.

I have no criticism to make of the railroads for applying for a rate increase, or of the board for deciding that an increase was necessary. But we have the strongest criticism to make of the government for allowing the increase to go into effect without removing the inequalities under which various sections of this country have suffered for years. That is the point involved in the first paragraph of the amendment moved by the leader of the opposition (Mr. Bracken), and I should like to read this paragraph in order to bring out that aspect of the situation. It reads:

That all the words after "this house" in the fourth line of the amendment be deleted, and that the following be substituted instead thereof:

"Regrets the government's failure to secure the removal of inequalities and discriminations in the Canadian railway freight rates structure before the imposition of a horizontal increase of twenty-one per cent—an increase which is bound to intensify the aforesaid inequalities and discriminations."

That first paragraph of the amendment indicates the clear issue which is being placed before this House of Commons for consideration. In connection with that point I ask hon. members to consider the effect of this 21 per cent increase upon the economy of British Columbia. For this purpose I should like to divide our population into three groups. The first group would be made up of consumers generally. We are all consumers and, therefore, we are all affected by an increase in freight rates. It has not been denied and it cannot be denied that, since we already have a tremendous differential, a greater burden will be imposed upon our province than upon the rest of Canada. An increase of 21 per cent all across the board hits us that much harder. Therefore the consumer in British Columbia will be that much harder hit than the consumer anywhere else. As an example of this fact I should like to refer to a report in the Winnipeg *Free Press* of April 10, reading as follows:

Freight Rate Compensation

Shortening and soap will rise in price

Ottawa, April 10—The wartime prices and trade board will shortly authorize increases in the prices of shortening and soap to compensate for the increases in freight rates, it was learned Friday.

There we see the beginning of the increase in the cost of living which affects our consumer population in British Columbia much more adversely than the consumers in the rest of Canada.

The second classification I should like to make for this purpose is made up of our farmers. The province, particularly the interior from which I come, is interested principally in the primary industries of farming and logging. These primary producers will be affected because they must pay the increase both on the things they have to buy and on the things they have to sell. It has been said, and said truly, that the farmer is the only person whose costs are doubly affected by any increase in freight rates. Certainly that is true of the livestock industry where you have to ship your cattle. It is always the case that from the return received from the sale of cattle there is deducted the amount of freight from the collection point to the marketing point, which in our case is Vancouver, Calgary or Edmonton. Not only is the farmer hurt because of the increase he must pay on everything he has to buy, but he will have this extra freight deducted from the prices of the things he has to sell.

The president of the tree fruits industry in British Columbia, Mr. Lloyd, has already said —this was referred to last night by the hon. member for Vancouver South (Mr. Green)— that this increase in freight rates will cost the British Columbia fruit industry approximately $1,000,000 a year. The effect of this increase will be that much greater on our people.

The third category which I should like to consider is made up of the railway employees themselves. In British Columbia they are concerned both as consumers and as railway workers. In many areas in the interior the prosperity of the district is largely dependent upon the prosperity and stability of employment enjoyed by the railway worker. I am quite certain that no railway employee in British Columbia, facing this problem as he must as a British Columbian, as a consumer and as a railway worker, wants any increase in freight rates to be made at the expense of our province or indeed at the expense of any section of Canada. I have spoken to some representatives of the railway employees, and they are as vitally interested as anyone else in the removal of discriminations in connection with freight rates.

I maintain that the wage increases which the railway employees are asking for should form no part of this discussion. We must not allow the wage requirements of the railroads and their employees to be caught in the cross fire of political controversy. One or two addresses which have been delivered in this debate have indicated a tendency toward making this aspect of the matter a political issue. I want to make it clear that I am not opposed to any increases in freight rates as such, but I am opposed to increases without equalization, to increases which increase discrimination at the expense of the railway workers, quite as much as that of anyone else in British Columbia.

In order to keep the record clear in this respect, I should like to refer to what the leader of the opposition said yesterday. He indicated clearly that he felt the position of the railway workers should not be prejudiced as a result of this discussion. The leader of the opposition said, as reported on page 2911 of *Hansard* of April 13:

Roughly it would appear that they have received on an average about twenty-five cents an hour increase. But the cost of living, as compared with pre-war days, has gone up 50 per cent, while the average wages of railway employees it would appear have gone up only some 33 per cent.

And then again on the same page:

These working men and women have had no adjustment of wage rates since June of 1946. Yet since that date the cost of living index has risen 27·2 points over the 1938-39 average, and the food index has gone up 43·8 points during

the period when they have had no increase. Clearly this aspect of the matter deserves immediate and most careful consideration.

So I repeat that the problem of these workers must not be squeezed by any cross fire of political controversy. If it be the case that British Columbia is particularly hard hit because of the discrimination arising out of this 21 per cent increase, it is similarly the case of the provinces which objected to the present increase and the present multiplication of discrimination. The government has refused their request to grant a thirty-day waiting period before bringing the rate increase into effect. Here I should like to read the second paragraph of the amendment moved by the leader of the opposition, which reads:

> This house further regrets that the government has refused the reasonable request of seven provinces that the imposition of increased freight rates recently authorized by the board of transport commissioners be delayed for thirty days until they could be heard.

After all, Mr. Speaker, the thirty days' delay would not prejudice anybody. The railways, it must be admitted, need an increase to meet their increased costs and to meet their wage negotiations which are now going on. But I should like to put this consideration before the house and before the minister in asking him to reconsider the matter. Although the Canadian Pacific Railway Company may have made out a case for an increase, its annual report now before the country shows that it has made a profit of approximately $17,000,000 on last year's operations, so I submit that, without prejudice to any request for an increase which it has made, it could go part way at any rate in meeting this request for a delay of thirty days to give the provinces an opportunity to make their views known.

Very much the same situation applies in the case of the Canadian National Railways. Although that railway has shown a deficit on last year's operations, it should be borne in mind that if the capital structure of the railway were overhauled, and an overhauling is past due, the railway would have a decent chance to show a profit. It does make an operating profit, but it has this terrible burden of an appalling capital structure, which is no fault of the present management of the railway. If that overhaul were made the Canadian National Railways too would be in a position, I suggest, where they would have revenues available to meet some of their legitimate requirements in re-equipping themselves and in fulfilling the wage negotiations now going on.

So neither the railways nor the country would be prejudiced in any problem that confronts them by the granting of thirty days delay while this whole question of discrimination and the provincial representations are gone into.

I should like to give some figures to show the actual extent of the present discrimination against my province and the further increased discrimination involved in the 21 per cent increase now authorized.

In exhibit 131, filed before the board of transport commissioners at its last hearing, it was shown that the four western provinces contributed, in the ten-year period 1936 to 1945, 65·8 per cent of the freight revenue of the Canadian Pacific Railway Company, and their population for that period totalled only 28 per cent of the nation's. In the same period the eastern provinces contributed 34·2 per cent of the freight revenue of the Canadian Pacific Railway Company, and their population was 72 per cent of the total for the nation. So that 28 per cent of the people contributed 65·8 per cent of the freight revenue, while 72 per cent of the people contributed only 34·2 per cent of the freight revenue. So it can be seen where the freight charges bear most heavily.

Further, the standard freight rate east of Fort William is 58 cents per 100 pounds per 100 miles, while west of Fort William it is 65 cents per 100 pounds per 100 miles. In British Columbia we have in addition the mountain differential of 1¼ cents, which results in an increase of 16 per cent over the standard rate west of Fort William.

If we turn to specific commodities we can see by specific examples just what this increase will mean to us. Here are some typical results of the discriminatory practices as they affect important commodities. Take lumber. A cargo of lumber shipped from a Quebec mill to Ontario a distance of 600 miles pays 23 cents per 100 pounds, while a cargo of lumber shipped from Vancouver to Calgary, also approximately 600 miles, pays 50 cents per 100 pounds.

Take the case of fresh fruit from the Okanagan valley, the Thompson valley and the Shuswap area, as compared with fruit shipped from the district around Hamilton, Ontario, which are both important shipping centres for fresh fruit. From the Okanagan to Calgary, a distance of 350 miles, the shipper pays $1.04 per hundredweight. From Hamilton eastward over a corresponding distance a shipper would pay only 65 cents per hundredweight. From the interior of British Columbia, from the Okanagan to Red Deer, Alberta, a distance of 453 miles, the rate is $1.41 per hundredweight, while from Hamilton, Ontario, to Isbister, also a distance of 453 miles, the

rate is 91½ cents. So that quite obviously a 21 per cent over-all increase will hit the western shipper far more severely than his eastern rival.

In addition it must be borne in mind that British Columbia is the only province which is affected by the fact that we can have no through-freight truck competition between British Columbia and Alberta. Under the national park regulations you can ship into a national park by truck, and you can ship out of a national park, but you cannot ship by truck through a national park. The national parks lie astride the only roads between British Columbia and Alberta. The only road now is the Big Bend highway, although it is just possible to get through over the Yellowstone road, but both are straddled by national parks, and so we can have no through-truck competition with the railways.

I do not think it is necessary for me to give many more details to prove that our plight is made very much worse than that of the rest of Canada by this over-all increase in freight rates.

Let us turn for a moment to the argument put forward by the various provinces with respect to discrimination. The Minister of Transport has attempted to show that the question of discrimination was not before the board. As reported at page 2898 of *Hansard* of yesterday, April 13, he said:

> The board on that occasion—
>
> The occasion of the hearing just concluded. —did not deal with inequalities in the freight rate structure, the so-called discriminations which have been mentioned in this debate.

He went on in his submission to show that the board had no authority to deal with that problem; but I submit, Mr. Speaker, that the question of discrimination was before the board, and it must be before the board in any such application, because the opposition of the provinces to this increase was based on the position that it should not be granted in blanket form since it would aggravate the present discrimination. In support of my position I should like to read an editorial appearing in the Winnipeg *Free Press* of April 10, in the form of "Special Correspondence from Ottawa." It reads in part as follows:

> By a series of carefully selected quotations, Hon. Lionel Chevrier, minister of transport, has tried to convince the house that the question of discrimination was not an issue in the freight rates case.
>
> No one familiar with the evidence will accept this statement. Railway counsel did their best to prevent the question of discrimination coming up. They said the terms of reference of the inquiry—drawn up by the railways themselves when they made their application—prevented this question from being considered. But the seven provinces appearing before the board repeatedly broke this barrier. The evidence simply teems with references to discrimination. Without considering the problem of discrimination, an examination of freight rates is impossible.

The editorial continues:

> The failure of the board of transport commissioners to deal with discriminations will certainly not increase respect for its findings. In any event, Mr. Chevrier is confusing the issue when he takes refuge in the board's report. The power of parliament to deal with the question of discrimination is absolute.

I certainly agree with the last paragraph of the editorial. As I said at the beginning of my remarks, not only is the power of parliament absolute, but this is the proper place where the matter should be dealt with, because it is a national question; this is the place where it must be dealt with, and we members of parliament from all parts of Canada must make known our views to the government.

I think the minister has contradicted himself in the course of his own speech, because on the one hand he says that the discrimination question was not before the board, and in another place in his speech of yesterday, as reported at page 2907 of *Hansard,* he said this:

> In fact, in conversation with the chairman recently, I was informed by him that he was of the opinion—and so did his brother commissioners—that there was nothing in the Railway Act which hampered them in any way in dealing with the inequalities or the so-called discrimination which may exist in this country.

Then the question is, if that is so, if there is nothing in the Railway Act which prevents the board of transport commissioners from dealing with the question of discrimination, why did they not deal with it when it was so obviously before them in the hearings which they held? The fact that they did not deal with it was something which they themselves decided. They decided not to make a recommendation on account of it. The matter was before them, since it was an integral part of all of the submissions of all the provincial counsel, and the chief commissioner himself, in his judgment on page 44 of the document in regard to the findings of the board, has this to say. This shows that all provincial counsel put the matter before the board, as it was constantly before them, and everywhere they went the question of discrimination was raised in the course of the hearings. He said as follows:

> A major subject of complaint in British Columbia had to do with the mountain or Pacific scale of rates, generally referred to as the "mountain differential". The mountain or

Pacific scale of rates is higher than other scales of rates, such as the prairie scale. This condition, it is alleged, works to the serious disadvantage of the business and industries of British Columbia, and is most discriminatory in respect to that province. It is further submitted that this situation should be taken fully into account by the board in fixing rates in the present case. The submissions of British Columbia on this subject had the full support of a number of witnesses in Alberta.

Some other questions raised in the submissions made during the western hearings had to do with rates to assist and develop industry.

Farther on he says:

Wide latitude was given to the protestants in the development of their objections to the proposed increase.

Then he goes on to show that in fact they had all raised this question of discrimination; therefore the question was certainly before the board. The minister has taken two completely different positions. On the one hand he says, as reported on page 2907 of *Hansard*, that the matter was not before the board; that the only thing properly before the board was the question of the revenue situation. On the other hand he says in the same speech that the board of transport commissioners themselves said that there was nothing in the Railway Act which hampered them in any way in dealing with the inequalities of the so-called discrimination which may exist in this country.

Mr. CHEVRIER: May I interrupt the hon. gentleman?

Mr. FULTON: Yes.

Mr. CHEVRIER: That statement has to do with the investigation which has been ordered by the government, and not with the case which was before the board for the increase in rates.

Mr. FULTON: I agree with the point the minister is now making, and in reply to him I say that, although the board refused or declined to take any action with respect to inequalities and discriminations at the time they made their findings and recommendations, it cannot be denied that the question of discrimination and inequalities was very much before them, as I have proven in my reading from the judgment of the chief commissioner who said that the matter was placed before them on many occasions and that wide latitude was given to the protestants to bring the matter before them.

Mr. CHEVRIER: Will the hon. member allow me?

Mr. FULTON: May I finish this? That is the case, and if there is nothing in the Railway Act to hamper them in dealing with the question of discrimination my point is that the question should have been dealt with at the time they made their findings.

Mr. CHEVRIER: The application was not for removal of the inequalities, and counsel for the provinces so stated.

Mr. FULTON: The minister has made that point before. Counsel for the provinces said that if we were making at the moment an application for the removal of discrimination it would be brought out and that we would have to make separate submissions. Their position was: This application was made by the railway company. We admit that they are not applying for the removal of discrimination, but an integral part of our position was that it could not and should not be granted without at the same time removing discrimination. Therefore the point I make is that there could be, in my view, no doubt that the question of discrimination was very much before the board during the whole course of this hearing.

Mr. CHEVRIER: I do not agree with the hon. gentleman.

Mr. FULTON: The fact that they declined to take action on it is a matter, the reasons for which can be known only to them, but there was nothing to prevent them at that time from taking action to deal with the inequalities and discrimination in the Canadian freight rate structure. That being the case, it seems to me that the government has been compelled further to reverse its position. Immediately after the freight rates decision was made known, seven of the provinces said that they would apply for a stay in its imposition. The government refused to grant that stay. They concurred in the immediate imposition of the freight rates increase. I wish to make this clear. The government concurred in the imposition of the new freight rates, and the western provinces, of course, took that as an insult. In fact one is given to understand that in some of their minds it was taken as being an indication that the governor in council did not propose to permit them to make an appeal from the decision. We now find that the government is saying, While we will go ahead with the imposition of the freight rates immediately, we shall have to allow the provinces to appeal the actual award. The present decision of the government followed the protest which was raised in the house as soon as an opportunity was given to discuss the matter of freight rates, the protest which took place on Monday, April 5, and again on Wednesday, April 7, a protest which was joined in vigorously, in fact

almost led by members from British Columbia, including members on the government side.

May I at this point read some of the submissions made by the provincial premiers, tabled in the house yesterday by the minister. The Premier of Alberta said this:

The decision of the board of transport commissioners authorizing an over-all increase of 21 per cent in freight rates has been a shock and a severe disappointment to the people of Alberta. This province has for many years suffered from excessive and discriminatory freight rates and the judgment of the transport commissioners only serves to aggravate that situation. This province desires and intends to appeal from the board's decision to the governor general in council. If increased rates made effective now and then the governor in council as we confidently expect rescinds the board's increase order much confusion and dislocation of business will inevitably result. The government of Alberta respectfully requests the governor in council to use the power conferred by section 52 of the Railway Act and vary the transport board's order 70425 by extending three days notice period to thirty days.

The Premier of Saskatchewan made a similar submission. The province of British Columbia wired in the following terms:

Government of British Columbia protests strongly any increase in freight rates under recent ruling of board of transport until such time as the mountain differential affecting British Columbia and Alberta is removed. Existence of mountain differential constitutes a grave injustice under ordinary circumstances. Imposition of a 21 per cent increase in freight rates would further accentuate the injustice and place both British Columbia and Alberta in very disadvantageous positions within Canada's economy. Strongly urge that ruling of board of transport commissioners be withheld from operation until such time as British Columbia government has opportunity to appeal against the decision.

Byron I. Johnson, Premier of British Columbia.

These requests from the premiers of the seven provinces were, as the house knows, in effect rejected by the dominion government which introduced the order in council referred to yesterday, saying that the governor in council had considered the representations and had come to the conclusion that the freight increases must be granted forthwith.

Then, as I say, there was a protest which took place in the house, in which western members on all sides joined, and the government then reversed or partly reversed its decision and said, "We will continue to make the increase effective as of now but will permit an appeal and will in fact refer the matter of discrimination to the board."

The point is this. The question of discrimination was before the board. The government has the power to insist that discrimination be removed, and I suggest that it should have done so at the outset and not waited until the protests in the house and in the country became so great that the government was forced to throw out the sop that it would submit the matter to the board, at the same time forcing itself to say that such consideration would take from six months to a year before any effective action could be taken.

In conclusion, Mr. Speaker, I wish to read from an editorial that appeared in the Vancouver *Sun* of April 9, 1948, which sums up the position we take:

This government has been in power since 1935. At any time since then, if it was sincerely concerned about the inequalities in the national freight rate structure, it could have instructed the transport board to make a revision. But no. The government thought it politically unwise to arouse the animosity of Quebec and Ontario, hereditary beneficiaries of the obsolete system.

Only at this late date, when the chickens of neglect have come home to roost on Parliament Hill, does the government decide "it would be in the public interest to have a thorough investigation . . . with a view to the establishment of a fair and reasonable rate structure."

There is absolutely no evidence that such an inquiry would have been started by Ottawa on its own volition. If the railroads had not asked for a percentage boost across the board, and won their case before the transport commissioners, the government would have been quite content to continue its neglect.

This government has given the victims of regional rate discrimination not the slightest grounds to believe that it is interested in inequalities as such. It is interested, however, in shutting up the roars of protest evoked by a 21 per cent magnification of the injustices.

The editorial concludes with these words:

A test of how genuine is Ottawa's sudden conversion would be an application to the government for subsidies on B.C.'s freight bills pending the transport board's rulings.

This would give Ottawa a cash reason for speeding up the hearings. B.C. business is genuinely alarmed at transport minister Chevrier's estimate of one or two years for the investigation. A restriction of that duration on B.C.'s trade with the prairies would be intolerable.

BUSINESS OF THE HOUSE

MOTION TO SUSPEND STANDING ORDER 28 FOR SITTING OF THURSDAY, APRIL 15

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Dauphin (Mr. Zaplitny) is about to rise. With the permission of the house, if I may interrupt him for a minute or two, I should like to move a motion having to do with the business tomorrow. I should like to move:

That the provision of standing order 28, in relation to Mr Speaker leaving the chair with-

out question put, for the house to go into supply, be suspended for the sitting of Thursday, April 15, 1948.

Without the suspension of that rule, this debate could not be continued tomorrow because the rule provides that there is no question put about the Speaker leaving the chair on Thursdays or Fridays to go into supply.

Mr. BRACKEN: Can the minister say what the business will be tomorrow?

Mr. ST. LAURENT: If this motion is carried we shall go right on with this debate and, if and when it is concluded, go back to the debate on the motion to set up the committee on human rights, and if that were concluded we would proceed with the other business that has been indicated for the past few days.

Mr. GREEN: Can the minister indicate when time will be set aside for discussing external affairs?

Mr. ST. LAURENT: If this were completed tomorrow, the intention would be to call one item of external affairs, have it stand, and fix it for debate on Monday, so that we could have a day or two to consider the general field of external affairs.

Motion agreed to.

SUPPLY

FREIGHT RATES—INCREASES ORDERED BY TRANSPORT BOARD—AMENDMENT, MR. COLDWELL —SUBAMENDMENT, MR. BRACKEN

The house resumed consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Bracken.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, this is the second time we are debating freight rates in that many weeks, and it may be useful to state at this time the reason for this type of procedure. I think the public generally knows that on October 9, 1946, the railway association applied for an increase in freight rates, and immediately after that application was made opposition was taken to it by various provincial governments and members of this house. Many of them would like to have debated that issue in the intervening time between the application and the decision, but were prevented from doing so because of the rules of the house, which preclude our debating any matter which is before a judicial body.

I think it will be admitted also that, after the announcement of the board was made on March 30, the hon. member for Rosetown-Biggar (Mr. Coldwell), when he rose on April 5 and asked that this house debate the question, was doing a public service to the people who are interested in this issue, both in eastern and in western Canada.

It is possible that, had not the hon. member risen at that time and initiated a debate on this very important issue, the decision might have been accepted without very much protest in this house, and the people concerned would not have had the benefit of what I consider to have been an interesting and valuable debate here.

The second motion which the hon. member for Rosetown-Biggar made came on April 7, which followed the statement made by the Minister of Transport (Mr. Chevrier) in reply to the debate of April 5. The motion was necessary because the statement the minister made on April 7 in this house was not satisfactory either to the members of the house or to the provincial governments concerned.

The minister, in his remarks yesterday, made some statements with which we can agree, but which he was not exactly in a position to make, because he is reported on April 13 to have said, at page 2908 of *Hansard*:

> Any hon. member who attempts to make a political issue out of this question is to my mind doing a disservice, not only to himself but to his country.

I agree with that statement, but I think it is clear, from reading all the debates in the house, that when the hon. member for Rosetown-Biggar raised the question in the house in the first instance, and again on the second occasion, it was not on a political basis. As a matter of fact, the hon. member for Fraser Valley (Mr. Cruickshank), who spoke in that debate, made the statement in this house, complimenting the hon. member for Rosetown-Biggar, that he had left politics entirely out of the matter and was to be commended therefor. So that the debate which was initiated in this house started off on a very reasonable basis; but before the Minister of Transport had finished his speech, he himself had introduced certain political considerations into the question.

For example, he made what amounted to an accusation, that there was some type of lobbying going on from the province of Saskatchewan. He said, in reply to a statement of the hon. member for Rosetown-Biggar:

> I have realized that since this debate started, because no one has been flooded with more telegrams than I have from members of the province of Saskatchewan. And this indicates to me that there is some attempt to make a political issue out of this question.

That statement was unfair, and it was inaccurate because, as a matter of fact, the members of this house who represent the constituencies which are affected by this increase have all been receiving telegrams, resolutions and letters which have been urging us to make our views heard in this house. For example, coming from Manitoba, I have a resolution which comes from a municipal council in that province. It happens to come from the rural municipality of Dauphin. The resolution is in these words:

> Whereas the board of transport commissioners authorized an increase of 21 per cent in railway freight rates.
>
> And whereas the said increase will bring about an increase in price on all commodities detrimental to our economy and cause inflation.
>
> Now therefore be it resolved that we protest against the proposed increase in freight rates until an equality in way freight rates has been established as between eastern Canada and the prairie provinces.

That is a resolution which is characteristic of the type of resolutions and telegrams we have been receiving. They have been coming not only from municipal bodies but from locals of pool elevators, co-operatives of different kinds, boards of trade and so on. They have been coming from other provinces as well as from Saskatchewan. Therefore I do not know that the minister was on solid ground when he intimated that Saskatchewan exclusively was carrying on a lobby on this question.

As a matter of fact, a statement was made here the other day to the effect that it is quite possible that the hon. member for Rosthern (Mr. Tucker) who, I understand is in Saskatchewan at the present time, may be doing his quota of lobbying on this question. He is reported in the western papers to have stated that in his opinion the western provinces—that is, the prairie provinces—will get a square deal out of this decision yet; that the announcement of the board of transport commissioners is not final; that it is in the nature of an advisory ruling, and that the government will see to it that an equalization is carried out. Of course that hope is somewhat on a par with his ill-fated hope on the coarse grains issue. It is too bad that he has not had an opportunity to state his views in the house during this debate. The hon. member for Rosthern seems to have the uncanny faculty of being in Saskatchewan when the issues are hot in Ottawa and of being in Ottawa when they are hot in Saskatchewan.

I think it can be said, however, that for the most part the members who took part in this debate have shown something which is perhaps new on this issue, and that is an awareness that our transportation system in this country has graduated from being a purely commercial undertaking, and is now a social undertaking. I believe there is a new realization, perhaps brought about by events in recent years, that the transportation system of this country is now so vitally necessary to all provinces and to all people concerned that we can no longer treat it as a purely commercial operation requiring so much revenue to provide certain services, and leave it at that. We must take into consideration the burden of keeping that transportation system functioning and giving good service in parts of Canada which in themselves may not be able to produce the necessary revenue. It might be considered perhaps as a minor version of the situation we have in our post office system. Our post office system takes into consideration the convenience and necessity of communication for the country as a whole. Where it is found necessary to give service to a certain community, that service is given regardless of whether or not it is possible to raise in that district the revenue with which to pay for the service. Something of that kind of consideration must now be taken into account in dealing with this question of freight rates.

There are, of course, two broad phases involved. The first is the general flat increase of 21 per cent, and the second is the discrimination as a result of the differentials that exist. On the first issue—that is, on the general increase—I believe it is in a way one of the fruits of the government's decontrol policy. The government were warned on more than one occasion that, if they continued their decontrol policy, they would be

faced with one problem after another; and this freight rate problem is not the last one. There will be other problems along the same lines and emanating from the same reasons. The other day the minister stated that the cost of operating railways, the level of wages and the expense of maintaining our system have increased. That is true. But the government itself will have to take the responsibility for having permitted prices to rise to the point where it was necessary for the men working in this industry to ask for higher wages. I do not think that one member of this house has said a word in opposition to the efforts being made by the railroad workers to have their wages increased, because we realize that the cost of living today is such that it is necessary for them to ask for that increase.

It is not possible for me to complete my remarks, Mr. Speaker, so I would move the adjournment of the debate.

On motion of Mr. Zaplitny the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 15, 1948

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

REFERENCE OF AUDITORS' REPORT TO RAILWAYS AND SHIPPING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport): I desire to table the report to parliament of George A. Touche and Company, auditors of the Canadian National Railway system, for the year ended December 31, 1947, in English and French.

By leave of the house, I move:

That the report to parliament of George A. Touche and Company, auditors of the Canadian National Railway system, for the year ended December 31, 1947, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

REFERENCE OF ANNUAL REPORTS, BUDGET AND CERTAIN ESTIMATES TO RAILWAYS AND SHIPPING COMMITTEE

Hon. LIONEL CHEVRIER (Minister of Transport) moved:

That the annual reports for 1947 of the Canadian National Railway system, the Canadian National (West Indies) Steamships Limited, and the Canadian National Railways Securities Trust, tabled on April 12, 1948, and the budget of the Canadian National Railways and Canadian National (West Indies) Steamships Limited for 1948 tabled on April 14, 1948, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government, together with the following items of estimates for 1948-49:

Vote *502*—Maritime Freight Rates Act, Canadian National Railways;

Vote *503*—Maritime Freight Rates Act, railways other than Canadian National;

Vote *557*—Prince Edward Island car ferry and terminals, deficit 1948;

And that the resolution passed by the house on March 9, 1948, referring certain estimates to the committee of supply, be rescinded in so far as the said resolution relates to votes Nos. 502, 503 and 557.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

RENTAL APPEALS—ONTARIO

Mr. WHITE (Middlesex East):

1. How many rental appeals in respect of homes, housing and domestic establishments have been heard and adjudicated upon in the province of Ontario in each year and to date since the inception of rent control?

2. How many were heard before county and district court judges?

3. How many have been determined in favour of (a) the tenant; (b) the landlord?

4. In how many such appeals was there an application for (a) increase of rental; (b) decrease of rental?

5. Of such appeals mentioned in question 3 were (a) increases of rental granted; (b) decreases of rental granted?

Mr. MAYHEW: Mr. Speaker, I discussed the subject matter of this question with the hon. member, and he has agreed to drop the question in its present form and reword it.

Mr. SPEAKER: Dropped.

FLOOD CONDITIONS

DAMAGE TO FEDERAL BREAKWATER AT WARD'S ISLAND

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to call the attention of the Minister of Public Works to the damage recently done by the worst storm and flood in thirty years to the breakwater at Ward's island. This is a federal government work, and the federal government has admitted responsibility for the maintenance of the breakwater from Ward's island to Gibraltar Point.

Hon. ALPHONSE FOURNIER (Minister of Public Works): I will give instructions to the engineer of my department in Toronto to make a survey of the damage and make a report. If the hon. gentleman is right in saying that we have admitted responsibility, he may be sure that we shall attend to the work.

FREIGHT RATES

INCREASE IN EXPRESS RATE ON EGGS FOR HATCHERIES

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): May I direct a question to the Minister of Transport, whom I questioned a few days ago about an alleged sharp increase in the express rate on eggs at certain points outside Regina? Can the minister now reply?

Hon. LIONEL CHEVRIER (Minister of Transport): Yes, Mr. Speaker. The question which the hon. gentleman asked had to do with an individual shipment of less than 100 pounds—

Mr. COLDWELL: Per crate of thirty dozen.

Mr. CHEVRIER: I have made inquiries of the board and find that under authority of board order No. 70425, the railways on April 8 increased by 21 per cent their express rates which had previously been abnormally reduced to meet truck competition. For quantity shipments of crates of eggs, from the points mentioned, such as Yellowgrass, Milestone, Duval, Dafoe and Davidson, to Regina, the increases per crate vary from 4·7 cents to 6 cents for crates of 30 dozen eggs. For individual shipments weighing less than 100 pounds, the minimum rate was increased to a level apparently commensurate with truck competition. All these increases were made by the railways at their own discretion by virtue of the board order referred to.

If the hon. gentleman will refer to page 88 of the board's judgment he will find an item covering a minimum charge movement.

Mr. COLDWELL: If I may ask a supplementary question, the minister gave the increase in cents in the first instance but not in the second. Has he the figures in cents?

Mr. CHEVRIER: If the hon. gentleman will look at the item covering the minimum charge he will see that the minimum charge for a single less than carload lot shipment is 75 cents per 100 pounds. That is to meet truck competition, as set out in the board's order covering competitive rates.

CZECHOSLOVAKIA

REFERENCE TO APPOINTMENT OF CONSUL IN MONTREAL

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I do not know to which minister to direct this question, but I presume it should be the Secretary of State for External Affairs. It has to do with the appointment of Evzon Syrovatka as consul for Czechoslovakia in Montreal. Is this the same man who was declared persona non grata to the United States government for alleged subversive activities, and if so, was the government of Canada consulted before the appointment was made?

Right Hon. J. L. ILSLEY (Minister of Justice): Mr. Speaker, the Secretary of State for External Affairs is not here, but I shall bring the hon. member's question to his attention and perhaps he will wish to make a reply tomorrow.

GOVERNMENT ANNUITIES

INQUIRY AS TO REPORTED INCREASE IN RATES

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): May I address a question to the Minister of Labour? Is it true that the purchase price of government annuities is to be increased, and if so why, particularly at this time when the people of Canada want better old age security?

Hon. HUMPHREY MITCHELL (Minister of Labour): As my hon. friend well knows, probably as well as anyone else in the house, any question of government policy will be stated in due course.

Mr. KNOWLES: Are the reports in the newspapers correct?

Mr. SPEAKER: Order.

INCOME TAX ACT

INQUIRY AS TO SENDING OF REVISION BILL TO BANKING AND COMMERCE COMMITTEE

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, may I again ask the Minister of Finance whether he has reached any conclusion with regard to referring the income tax bill to the banking and commerce committee?

Hon. DOUGLAS ABBOTT (Minister of Finance): No, I have not, Mr. Speaker. My present intention when the preparation of the bill is completed is to refer it to the committee of the whole house, but if circumstances are such that it seems desirable to refer the bill to the banking and commerce committee, perhaps that might be done.

Mr. GRAYDON: Better get some evidence from the farmers while you are at it.

FOREIGN EXCHANGE RESOURCES

INQUIRY AS TO PROCLAMATION OF SCHEDULE III OF BILL 3

On the orders of the day:

Mr. RONALD MOORE (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Finance of which I did not have time to give him notice. It is based on a report appearing in the *Financial Post* dated April 17. Is it true that schedule III of the emergency control legislation has not been proclaimed? According to the *Post,* that is cited as one reason why no further action has been taken recently to curb additional capital imports from the United States. It goes on to say that there has been a heavy flow of purchases of all types of capital goods from the United States in recent months.

Hon. DOUGLAS ABBOTT (Minister of Finance): The whole bill has not yet been proclaimed, because the regulations have not yet been completed. The matters covered by schedule III are now under control of my colleague the Minister of Trade and Commerce (Mr. Howe) by virtue of the powers contained in the Foreign Exchange Control Act.

Mr. KNOWLES: He turned it over to you by letter.

COMMUNISM

VIMY DAY ADDRESS OF BRIGADIER MURPHY AT CALGARY

On the orders of the day:

Hon. BROOKE CLAXTON (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Calgary East (Mr. Harkness) asked me whether or not the Minister of National Defence or anyone of the headquarters staff had communicated with Brigadier Murphy regarding a speech he made at Calgary. I did not have full information yesterday, but I now have word from the general officer in command saying that he has communicated with Brigadier Murphy, who assured him that he has received no communication, verbal or otherwise, from any individual whatsoever indicating censure or adverse criticism resulting from his Calgary address.

CIVIL SERVICE

REGULATIONS WITH RESPECT TO HOLDING OF CIVIC OFFICES

On the orders of the day:

Mr. J. T. RICHARD (Ottawa East): I should like to address a question to the Secretary of State, relating to the order in council which bars civil servants from holding civic office where the salary exceeds $500. Will he state whether any representations have been made to him or the government to increase the maximum salary which may be paid to civil servants holding civic office? The matter is of particular interest at this time when there is the possibility of aldermen's salaries being increased.

Hon. COLIN GIBSON (Secretary of State): Some representations have been received, and they are receiving consideration at the present time.

SUPPLY

FREIGHT RATES—INCREASES ORDERED BY TRANSPORT BOARD—AMENDMENT, MR. COLDWELL—SUBAMENDMENT, MR. BRACKEN

The house resumed from Wednesday, April 14, consideration of the motion of Mr. Abbott for committee of supply, and the amendment thereto of Mr. Coldwell, and the amendment to the amendment of Mr. Bracken.

Mr. F. S. ZAPLITNY (Dauphin): Mr. Speaker, when the house rose yesterday at six o'clock I had pointed out that there were two phases to this issue of increased freight rates.

Mr. SPEAKER: Order.

Mr. ZAPLITNY: I have pointed out that there are two phases to this issue of freight rate increases, namely, the general increase of 21 per cent across the board, and the question of equalization of freight rates across the country.

On April 7 the hon. member for Rosetown-Biggar (Mr. Coldwell), who leads this group, put the following motion as reported at page 2743 of *Hansard*:

> . . . this house is of the opinion that the failure of the government to defer the imposition of the increases in freight rates recently authorized by the board of transport commissioners is inimical to the best interests of the people of Canada; further this house is of the opinion that the government should reconsider this matter and take action to prevent the proposed increases from coming into effect at this time.

What the debate has been about since that motion was moved has been chiefly whether the present government at Ottawa should take the responsibility—

Mr. SPEAKER: Order. May I ask the hon. members to keep silent? I would ask the hon. member who has the floor if he will be kind enough to speak louder.

Mr. ZAPLITNY: Thank you; I shall do my best. Before I am through I believe I shall be able to make myself heard. I like to wind up slowly.

Some hon. MEMBERS: Speak up.

Mr. ZAPLITNY: You will hear presently more than you bargained for.

As I said, the debate so far has been on the motion of the hon. member for Rosetown-Biggar. Later the leader of the opposition (Mr. Bracken) moved an amendment to the amendment which, for all practical purposes, is merely a paraphrased version of the original amendment. The debate has revolved around whether or not the government should take the responsibility of deferring the imposition of the new freight rates, or whether the matter should be shelved or passed on to some other body. I hold in my hand a clipping which was handed to me only today which I think indicates the wisdom of the plea which my leader made for deferring the imposition of these rates until further consideration is given to them and until the provinces have had an opportunity to put their case before the board, if reconsideration is to be given to them. The clipping refers to the situation at the port of Halifax. It is dated Halifax, April 14. I submit that this has a very strong bearing on what we have had to say in this house, because the dispatch says:

Provincial government and waterfront officials today protested anew against increased freight rates as they considered its latest ramification—diversion of vessels from this port to avoid long rail hauls for cargoes. First example of this was the freighter *Martha Kleppe,* which arrived here today from Suez with 3,100 tons of peanut products and other cargo, consigned to Hamilton, Ontario. When about 1,000 tons had been discharged, the consignees changed their instructions and ordered the ship to New York. From there the goods would be sent to a great lakes port. An hour later it was learned that the *English Prince,* also carrying a cargo from the far east, had been diverted from Halifax to Montreal to save rail charges.

President J. J. Campbell, of the longshoremen's association, said the two diversions were examples of "what is in the wind."

"If we lose the far east business, we might as well hang out the crepe," he said.

Here is one example, and perhaps one of the first, to show that the tax increase of 21 per cent may have a more upsetting effect so far as the maritime provinces are concerned than was intended. That is to say, the transportation system of the two railways in the maritimes may find that instead of increasing the revenue by increasing the rates, they may actually receive less revenue in the long run, because shipping will be diverted from its regular course to the waterways in order to avoid paying higher rates. What is true of the maritime provinces is, to a certain extent, also true of the central provinces. There happens to be truck competition in the two central provinces. There is water competition for the maritime provinces. For these reasons the railways are faced with one of two alternatives. They have either to keep the rates low enough to compete with these other systems of transportation and face a deficit, or put their rates up in some other part of Canada to make up the difference in the revenue. The result will be that, if the railway companies decide not to go the full length of the increase in the two central provinces because of the competition, they will eventually, in order to keep the revenue up, have to place still higher rates on the four western provinces. All this goes to show that it is time the government took an over-all view of the whole transportation system and took immediate steps to see that equalization and justice are given to all parts of Canada.

The suggestions made by my leader in the course of his speech following his motion have, to some extent, been already adopted by the government, although under very severe pressure—but not to the full extent that they would have been adopted had the private members of the party that supports the government, and who sit across the way, and who at the first instance had been in the rebel camp, not too quickly laid down their arms. I believe they had a great opportunity to force the hand of the government on this issue, and they certainly should have used it. Of course I realize that things have happened since the motion was moved. We are told that there was a most powerful caucus held by the Liberal party, and according to the *Journal* of April 14 it appears that the whip was used mercilessly and ruthlessly, and whipped into line those so-called rebels who threatened to jump the line. According to the *Journal* we find that they were told very bluntly, because this issue is such an embarrassing one, because the risk of an election at this time might prove disastrous, they had better support the government, "or else", regardless of whether or not they had to face the music when they got back home.

Mr. SINCLAIR: Were you there?

Mr. ZAPLITNY: Apparently there was somebody in on it, because I am now going to quote from the *Journal,* which says this, referring to the statement of the Prime Minister:

It had been his idea since 1945, he told his followers, that the government should live out its full term of office,—

A very desirable objective. I continue:

—delaying an appeal to the country until the spring of 1950.

Then the report says this:

It was after this discussion that he discussed the government's position on the freight rates issue, bluntly telling the members they would have to fall into line.

Here is the real thing:

Should there be any deviation from party loyalty bringing an adverse vote, it would mean a general election on the unwanted freight rates issue.

I do not know whether he meant an unwanted issue or unwanted rates. Further down the article says this, to soften the blow a little bit:

The election would be the only possible course, and he warned his followers he believed the country would be "angry" and "resent" an appeal to it on the freight rates issue in view of the much more serious world situation.

I cannot conceive of the world situation being so serious at any time that it would prevent a government from submitting its stewardship to the judgment of the Canadian people. If the government feel that they are right on this issue, and would like confirmation of it from the Canadian people, I do not believe that they should use this subterfuge or a smoke-screen or any excuse to by-pass it and say to their followers: You will support the government because of the international situation, regardless of whether our domestic policies are right or wrong.

It is no secret that we have had two general elections in this country during the war, and the international situation then must certainly have been more serious than it is now. Yet at the present time, when the Prime Minister apparently feels that the issues are not favourable to the government, he warns his followers, You will support the government or take the consequences. I believe they will have to take the consequences in either event —if not now, at any rate later.

The minister also referred to the way in which the government treated the premiers of the provinces. The provincial governments made a very reasonable request asking that the government defer the putting into effect of the increase until they had had an opportunity to prepare and present their case on appeal. Instead of granting that very reasonable request, the government of course, in their famous order in council which was tabled in the house on April 7, told the premiers bluntly that they would do nothing of the sort.

I wish to quote briefly from an editorial which appeared recently in a newspaper which has recently begun publication. I refer to the Winnipeg *Citizen,* which to the best of my knowledge and belief expresses an independent point of view. I quote:

Without a master hand at the controls, the government at Ottawa discloses an innate ability to take the wrong course. Latest of its maladroit moves must be considered the decision to refrain from delaying the enforcement of the 21 per cent rate increase permitted by the board of transport commissioners.

On April 24, the government is to meet the premiers of seven provinces to hear their representations on the matter.

Incidentally, the premiers have not yet appeared here; therefore the case has been prejudged. To continue:

There can seldom have been a more discourteous move on the part of a senior government than so to permit the subject of an appeal to be enforced before hearing the appellants' case. The premiers will meet to discuss an operation already settled and in effect. Is it to be supposed that Ottawa will reverse this fait accompli and thus create even more confusion?

It is doubtful if greater confusion is possible. The editorial goes on to say:

Operation "dropping the pilot" has not shown evidences of careful planning. In Mr. King's heyday there would not have been the series of tactical blunders perpetrated in the house and out of it in the past few months, seemingly the result of the lack of his masterful technique. Or is it that the government is old and tired?

I hope the electors will not allow the government to die of old age. No doubt they will take care of that. The point is, however, that this government, with perfect propriety, and I believe in perfect justice, could have given in to the plea of the premiers of the seven provinces and waited at least until they could prepare their appeal and take it to the proper body.

It is not only discourteous but it is taking an unfair advantage of any appellant when you have prejudged his case and handed him an accomplished fact before he has had an opportunity to lay the evidence before the judge.

I want to refer to the discrimination which exists between different parts of Canada in the matter of freight rates. Often in this house we have deplored, or those of us from western Canada have deplored, the fact that western Canada, which has so many varied resources, has not the secondary industry which it should have in order to develop those resources and convert them into finished products. We are being put in the position all the time of having to produce our raw material and ship it east, paying freight rate on it, and then have it shipped back in finished form, paying freight rate on it again.

I believe the members of the house will agree when I say that one of the reasons for

the lack of population in the west as compared with the central provinces is the fact that we have not been able to establish industry in our part of the country to the point that it should have been established by this time. One of the reasons for that is that the freight rate system works against any manufacturing industry in western Canada.

I have here some figures which I should like to put on *Hansard*. I will not put them all on, because we have been figured to death in the house in the last few days, but those that I am about to give are significant in that they show how the difference in the rates works against manufacturing in western Canada.

Let us take canned goods, for example. If you shipped canned goods from Vancouver to Calgary, a distance of 642 miles, the rate would be 98 cents per 100 pounds, whereas from Chatham, Ontario, to Thetford Mines, Quebec, which is 678 miles, a longer distance, the rate is only 45 cents per 100 pounds, or less than half the rate charged in the west.

Take cement. On a 300-mile haul the rate in western Canada or on the prairies is 24 cents per 100 pounds while in Ontario and Quebec it is only 19 cents.

Or take livestock. On a 300-mile haul on the prairies the rate is 30 cents per 100 pounds and in Ontario and Quebec it is 27 cents.

I have heard the hon. member for Medicine Hat (Mr. Wylie), which is in the province of Alberta, make the statement that if irrigation could be developed in his part of the province they could raise there vegetables which could compete with those produced in any part of Canada. I am not going to comment on the soundness of that statement, because I do not know. I take his word for it. But even if they could grow vegetables and can them there, with the freight rate system as it is operating against them they would have to pay more than twice the rate per 100 pounds to ship vegetables than is charged in the central provinces.

I want to make it clear that I am not joining in any criticism of the two central provinces. The people in Ontario and Quebec are not in the least responsible for the discrepancy in the freight rate system. That is something that is the responsibility and duty of the federal government, because we have a Department of Transport and a Minister of Transport—a genial minister, by the way—and it is their responsibility and duty to see to it that the transportation system of the country, and particularly the railroads, shall serve the needs of the Canadian people as conveniently and as efficiently as possible and that the burden is distributed as fairly as it can be across the dominion.

Had the Minister of Transport accepted the motion moved by our leader in the first instance, most of this debate would have been unnecessary, but we have been put in the position in this house of having to get piecemeal concessions from the government by putting pressure after pressure upon it. That seems to be the only course which we can follow at the present time.

Earlier in this debate mention was made of certain rates on off-line hauls of grain, and today a question was asked about rates on eggs, which again is evidence to show that the effect of the 21 per cent increase on branch lines in some parts of Canada is going to be even more serious than had been expected in the first instance.

The government has made the promise that it will submit to the board of transport commissioners, for another investigation, the whole question of equalization. It is doubtful whether, after the board has already sat for eighteen months, and after the government has had several opportunities to submit the question to the board, a submission at this time will bring any greater results than were achieved before.

I believe that we might be farther ahead in the long run if we were to admit that what is required is not another face-lifting job on this freight rate structure, but rather a major overhaul, and that the whole question should be submitted to an independent commission which would by-pass and perhaps to a certain extent forget the past history of the whole freight rate structure—all the prejudices and all the injustices that have crept in—and start from scratch to bring forth a plan which could be developed and brought into being.

On this point I wish to quote, again from the Winnipeg *Citizen*, a paragraph which I believe has a great deal of wisdom in it. It is as follows:

> It is doubtful whether the present board, or any board appointed with the view of control of railway rates and practices, is competent to adjudicate the question so full of complexities outside the normal sphere of its authority. If the government wishes to carry the confidence of the country with it, it will appoint an absolutely independent commission of a calibre equal to the importance of the issue and empower it to inquire into every phase and its full bearing upon public welfare.

I want to say that I agree with that paragraph. In other words, what is required now is an independent commissioner, perhaps a royal commission, which would take evidence

across Canada apart altogether from the views of the railway companies or any interested persons, but based upon the welfare of the nation, and try to formulate a transportation plan which would work fairly in all parts of the dominion. I realize that it would not be an easy task, and it could not be done in a month or two. But from all appearances, even if it is handed to the board of transport commissioners, with all their experts and all the technical advice they can get, it is admitted that it may be a year, eighteen months or even longer before they can bring in their report or their judgment on the question of equalization.

There is something else to consider, and that is that we have reached the point in our transportation system where it is impossible to divorce railway transportation from truck, bus and boat competition. I think the whole system must now be taken as a unit for future purposes. In a modern country we can use all the forms of transportation we can lay our hands on, and I do not believe it will be necessary to displace any labour in the building up of a unified system of transportation. I think we can co-ordinate and synchronize the transportation of this country without displacing a single person, because we are still definitely in the expansionist stage of our transportation system.

We have been told in this house that we are now in the atomic age. On paper I suppose that is true, but much of our transportation is still just emerging from the horse and buggy stage. All we have to do is to go south across the boundary line to the United States, look at some of their forms of transportation, and compare them with some of ours. I am not saying that all of ours are in that stage. For example, we have the Trans-Canada Air Lines, which is almost a model of efficiency; we also have railway transportation which is of a high order. But much of our transportation is still in a backward stage of development. I think one of the reasons for that is the fact that in the past we have relied upon the principle of competition in a commercial way to provide transportation for this country. I believe that, up to a point, competition can be useful, but when it begins to interfere with the efficiency of the transportation system, when it is creating a chaotic condition or when it is getting to the point where competition becomes practically an end in itself, with each system of transportation trying to cut the throat of the other, it is time we began to think in terms of co-operation in respect to our transportation system.

In common, no doubt, with most other hon. members, I have had representations from trucking concerns and motor transport companies complaining bitterly about the encroachment of the railways upon their type of business. Plenty of evidence can be obtained from the railroads taking the opposite view. I think we in this country can make ourselves almost ridiculous if we go too far in that direction, if we take it that competition is such a good thing that we must compete each other to death. Even the most rabid private enterpriser, I think, will admit that when it comes to certain public utilities—and transportation is fast becoming a public utility in this country—there is a field for public ownership, or at least for a certain amount of social control in order that we may have co-ordination and synchronization of transport for the convenience and use of the public. I believe the criterion should be efficiency, convenience, and value for dollars spent, rather than the financial or commercial success of any form of transportation.

I will conclude, Mr. Speaker, by making a further plea to the government to consider carefully the question of acceding to the reasonable request made from this side of the house that a stay of the imposition of these freight rates be granted until the provinces have had an opportunity to prepare and submit their case in the proper way to the proper body.

Mr. J. A. ROSS (Souris): I should like to offer a few comments, Mr. Speaker, on this freight rate issue. First of all I should like to quote the order in council under date of April 7, P.C. 1486:

> The committee of the privy council have had before them the petition of the transportation commission of the maritime board of trade (representing, inter alia, the governments of the provinces of Nova Scotia, New Brunswick and Prince Edward Island), and representations on behalf of the governments of the provinces of Manitoba, Saskatchewan, Alberta and British Columbia to vary order No. 70425 of the board of transport commissioners for Canada of March 30, 1948, by providing that tariff schedules published and filed under the provisions of the said order be not effective until at least thirty days from the date of the said order.
>
> The committee of the privy council, having given due consideration to the said petitions and representations, are unable to advise that the said order of the board of transport commissioners for Canada be varied in the sense requested.

This was signed by A. D. P. Heeney, clerk of the privy council.

As a further basis for my remarks I should like to quote the amendment which was so

well introduced by my leader (Mr. Bracken), and also to endorse all the arguments so well advanced by him in presenting that amendment on April 13 with regard to this issue. The amendment reads:

That all the words after "this house" in the fourth line of the amendment be deleted, and that the following be substituted instead thereof:

"regrets the government's failure to secure the removal of inequalities and discriminations in the Canadian railway freight rates structure before the imposition of a horizontal increase of twenty-one per cent—an increase which is bound to intensify the aforesaid inequalities and discriminations; and

"Furthermore regrets that the government has refused the reasonable request of seven provinces that the imposition of increased freight rates recently authorized by the board of transport commissioners be delayed for thirty days until they could be heard."

The granting of this increase by the board certainly is going to intensify these discriminations, and in many cases will result in hardship upon those least able to pay. To some of these small shippers the increase will be as much as fifty per cent; to those who cannot afford to buy large quantities the burden will be great.

The situation is worse west of Fort William, where we find the mileage principle introduced. For instance, in parts of the prairie provinces we have to pay $169 more for a Chrysler car produced in Windsor than you pay for it in Ontario. For a light delivery truck we pay $150 more per unit than in Ontario. On an electric range we pay approximately $7 more, while the difference on refrigerators runs anywhere from $6.25 to $12.75 more per unit. For an ordinary washing machine we pay approximately $5 more per unit on the prairies than you do in the east. The farmer certainly is penalized, because he pays approximately $48 more for his binder than is charged in Ontario, while on the 16 to 25 horsepower tractor the difference is $112.

I might go on and quote many other items, but perhaps a few figures as to freight charges for comparable distances would be sufficient. On an average haul of one hundred miles there is a difference of 4·6 per cent. On a haul of four hundred miles the rate is 12 per cent higher on the prairies than in the east. On grain we pay 13 per cent more per ton mile, and on lumber, which is quite an item to many producers on the prairies, the difference is 31·1 per cent more per ton mile. On some commodities the difference is much greater. In certain parts of Alberta it is as much as 85 per cent more than in Ontario for certain distances. On bituminous coal the difference is 36·6 per cent.

[Mr. Ross (Souris).]

I spoke of the difference on lumber. I would remind this house that according to the last issue of the Bank of Canada statistical summary the price of lumber in this country has advanced more than 216 per cent, and that does not take into account the higher freight rates, which will be a further increase. That is going to be quite an item for many people throughout the prairies. Certainly it will add to the cost of living. According to that same statement the cost of living index for the previous month was 150·8, an all-time high in the history of Canada; and again that did not take into consideration these increased freight rates. The other day the Minister of Transport (Mr. Chevrier), while presenting his argument in defence of the increase, placed on *Hansard* at page 2903 a table showing the rates from sources of supply to certain points in Canada. According to this table the greatest increase in the freight rate on lumber is on shipments to Manitoba, that increase ranging from $1.86·7 to $3.85·3 per thousand feet.

I have listened to arguments presented in behalf of various parts of Canada, the maritimes, British Columbia and so on. While I agree that the situation is difficult in British Columbia, I should like to place on *Hansard* certain figures which will give some idea of the benefit derived from competitive water rates. These figures deal with the year 1945, but I do not think there has been any significant change since that time.

The rate from Montreal to Vancouver on calcium phosphate is 75 cents, while the rate from Montreal to Calgary, because of the mountain differential, is $2.34½. On ammonia the rate from Montreal to Vancouver is $1.25; to Calgary it is $2.33½. On glassware the rate to Vancouver is $1.34 and $1.98 to Calgary. The rate on window glass is $1.00 to Vancouver and $1.98 to Calgary. On paint and varnish the rate is $1.25 to Vancouver and $1.98 to Calgary. The rate on barbed wire is 75 cents to Vancouver and $1.98 to Calgary, while on hardware and tools the respective rates are $1.25 and $1.98. I could mention such other items as structural steel, iron pipe, canned goods, and so on, but I do not think it necessary at this time.

As I say, those differences result from the zoning and the mountain differential, and I am afraid many people in Canada do not realize that these materials can be shipped much greater distances at considerable saving when they are sent by water. In any event, the people of Alberta probably bear the greatest brunt of these discriminatory freight rates; and this further increase is certain to add to their burdens.

I certainly believe something should be done to equalize freight rates in this country, though I am not sure how that might be brought about. In the *Globe and Mail* of this morning I noticed an editorial dealing with this matter, headed, "The answer is more people". The editorial says:

The immediate issue before the house was whether railway freight rates should be advanced by 21 per cent in accordance with the ruling of the transport commission. The government is in favour of granting the increase at once. Objectors argue that, to begin with, certain "discriminations" should be ironed out. This demand, of course, comes exclusively from the western and maritime provinces, which, as everyone admits, will have to carry the large burden of the higher railway charges.

Further on the editorial continues:

Why must the people of the west and the maritimes rescue the railways by paying higher freight rates while Ontario and Quebec escape the extra levy almost entirely? It looks unfair, but it is not due either to the wicked selfishness of the central provinces or to special privileges they enjoy. The reason for it is that they are in a competitively favourable position. Ontario and Quebec are, by Canadian standards, well populated and originate much traffic. Furthermore, it is traffic which can move by water or highway if railway charges go too high. Therefore freight rates are lower here than in parts of the country which are thinly populated and lack the services of ships and trucks. This is inescapable economics which no amount of argument can alter.

Further on the editorial states:

It takes very little imagination to see that the right answer to the freight rates problem—the way to make transport cheap for the people of the now unfavoured regions—is to increase their numbers by immigration.

Then the last sentence reads:

What the country needs is a bold conception of its own future and some practical leadership.

Well, Mr. Speaker, I wish the problem were as simple as that. I agree with those comments; I hold no brief either for or against these two great provinces of Ontario and Quebec. But I do not believe immigration will take care of this problem in Canada. I want to put myself on record as to this question of immigration. More than once in this house I have argued for a much greater selective immigration to this country; but that would not cure the present difficulty. I have before me *The Economic Annalist,* issued by the federal Department of Agriculture. On page 5 it is pointed out that in 1946 there were 59,000 fewer people living on the prairies than in 1941. Most of the decline took place in Saskatchewan, but this movement is felt in the three western provinces, and it has been continuing since those figures, the latest available, were issued. In the same article I find this statement:

The number of people living on farms in Manitoba, Saskatchewan and Alberta declined by about 145,000, or nearly 13 per cent, in the period between 1941 and 1946.

My point is that under the policies of this government, both during the war years and today, that movement has been taking place; and it would be unfair and unjust to attempt to cure it by immigration without at the same time altering those governmental policies which have been responsible for it.

The following statement was made by the United States agricultural attaché at Ottawa, Mr. Francis A. Flood, when he addressed the federation of agriculture at Brockville this past winter. I quote just one paragraph of his speech, a report of which appeared in the *Rural Co-operator,* as follows:

I have heard Doctor J. F. Booth, of your Department of Agriculture, say that Manitoba and North Dakota have more in common with each other than Manitoba and Ontario or than North Dakota and New York state; that New York state and Ontario have more in common with each other than they do with their own prairie states.

The lines of similarity seem to run north and south rather than east and west—so that had arbitrary political lines been run north and south instead of east and west like the Mason-Dixon line and the border here, there would really have been more sense to it from the economic and social standpoint.

I want to make my position clear. I have always been proud of this Canadian nation. I have never had any time for those who talk about seceding or anything of that nature. However, I do want to point out the difficulties and strains faced by our confederation. I have pointed out repeatedly that I do not think we are making the most of our great nation. We have probably more undeveloped resources than any other country. We have many sparsely populated areas, and with the proper policy we could easily make a much greater nation of Canada than has been done during the past.

Further to the contrast between conditions in North Dakota and Manitoba—the province with which I am best acquainted, although I do considerable travelling in North Dakota—I have before me a recent issue of Searle's grain index, which gives a comparison of the cash receipts of the United States farmer and the Canadian prairie farmer. It shows that the cash receipts of the prairie farmer in 1947 for all farm products averaged $3,623 per farm family, while the cash receipts in the state of North Dakota averaged $14,940 per farm family. That is gross income, but I would

think the percentages would be the same for net income. This gives some idea of the economic trials during the past years of the farmer on the prairies as compared with the farmer in the United States.

I have another editorial here to which I should like to refer; it was published in a journal which certainly cannot be accused of being anti-Liberal—the Winnipeg *Free Press*. The issue of April 12 contains an editorial headed, "A blow at the west." It is a long editorial and I shall read only portions of it. I quote:

> Thus the burden of the $70 million per year increase now granted to the railways must fall chiefly upon the west and to a lesser extent upon the maritimes.
>
> Having decided to oppose the board's judgment, the seven provincial governments did two things: they asked the dominion government by telegraph to postpone the coming into effect of the rate increase until after their appeal has been heard, and second, they agreed to meet at Ottawa on April 24 to work out a common procedure of appeal.
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> So matters rested until Wednesday, last, when Hon. Lionel Chevrier, dominion Minister of Transport, stated in the House of Commons that although petitions of appeal had been received from the seven provincial governments, the dominion government "has decided that it should not interfere with the effective date of the board's order." He qualified this statement with the phrase "without prejudice to any appeal." At the same time he tabled a copy of order in council (P.C. 1486) passed on April 7. This order states that the cabinet has before it the petitions of Nova Scotia, New Brunswick, Prince Edward Island, and the representations of Manitoba, Saskatchewan, Alberta and British Columbia and proceeds:
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> "The committee of the privy council, having given due consideration to the said petitions and representations, are unable to advise that the said order of the board of transport commissioners for Canada be varied in the sense requested."
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> Not since the transport board, a quarter century ago, undertook to throw out Crowsnest Pass rates has western Canada been treated so rudely and harshly . . .

Mr. SPEAKER: I have permitted the hon. member to quote from newspapers, but I would ask him to refer to citation 306 of Beauchesne's second edition, where he will find that it is not the practice of the house to quote articles which emanate from outside parliament. The house is interested in having the representations of members on the matter before the house, but not those of outsiders.

Mr. ROSS (Souris): I shall abide by your ruling. I am sorry if I have followed the example of the Prime Minister (Mr. Mackenzie King) and members of the cabinet. They have set me a bad example in this respect in other debates. I shall abide by your ruling and not follow them any further.

[Mr. Ross (Souris).]

Mr. SPEAKER: Some hon. members may blame me for having given already too much liberty to the hon. member for Souris.

Mr. ROSS (Souris): Without quoting it I would say that the editorial goes on to point out that the minister's statement did not appear in the order in council. The editorial says that it is a misstatement of fact, and it goes on to say that as the government has handled these seven provinces very shabbily, surely the members from British Columbia and the prairie and maritime provinces will represent the people who sent them to the house as members of parliament.

In contrast to the editorial in that great Liberal journal, which certainly was written with great feeling, it has been a surprise to me during the last few days that supporters of the government from British Columbia, the prairies and the maritimes should rise in their places in this house and ignore completely the wishes of the vast majority of the people who had made it possible for them to be members of this House of Commons. More than that, they have completely ignored these requests from the governments of the provinces from which they come.

During the time that I have been privileged to be a member here I have given careful study to this matter, and have come to the conclusion that I should vote and talk in the interests, first of the people in my riding, then of the people in the great province from which I come, and then of the people of Canada generally. I would hope that every member of this House of Commons would so vote on this important issue of freight rates.

I remember that in the past a great issue was made of an incident when the Prime Minister, probably in some heat—I was not a member at that time—said that he would not give a five-cent piece to a Conservative government in any province. What is the situation today? First of all we have a coalition government in British Columbia. Then in Alberta there is a Social Credit government. In Saskatchewan there is a C.C.F. government. In the great middle province of Manitoba we have a very efficient coalition government.

An hon. MEMBER: Where is the Tory government?

Mr. ROSS (Souris): There is one standing right here who will vote as his conscience dictates. Then we go to New Brunswick, where they have a Liberal government. There are the provinces of Nova Scotia and Prince Edward Island where they have their Liberal

governments. Therefore it is difficult for me to understand the attitude of the Minister of Transport, the Prime Minister, and this government.

They may think that they are showing a strong hand, but I think it is really a sign of decay, a case of being in office too long. They might well have heeded the request of these seven provincial governments and stayed this judgment for some thirty days while the arguments of the provinces were being prepared, so that they could discuss the matter with the department and the government on a proper basis.

Mr. CHEVRIER: Does the hon. member remember a similar occasion in 1920 when a stay of a similar board order was asked for and refused under similar circumstances?

Mr. ROSS (Souris): No, that was long before my time in the House of Commons. I do not live too much in the past. I am more concerned with the present and future welfare of the people of my province.

Mr. GARDINER: There was a good Conservative government in power then.

Mr. ROSS (Souris): I am not interested even in that, but rather in a future Conservative government administering the affairs of this country for the welfare of the people of Canada.

Mr. CHEVRIER: And interested in a little politics as well.

Mr. ROSS (Souris): I should be happy if I could ever rival the Minister of Transport in political astuteness.

I do not wish to take up more time, Mr. Speaker. In conclusion I earnestly appeal to every member of this house to give thought to the welfare of the people who sent him here. According to the Ottawa *Journal* this government had a very serious caucus of its members last Tuesday, and it is reported that the Prime Minister told them that this parliament should live out its full term. He probably threatened some of the boys with an election, which would not be palatable to many of them if the issue were increased freight rates. It has been amusing to me to see some of the boys opposite who were regarded almost as outlaws a few days ago now coming back into the house and attempting to swallow themselves on this great issue. I trust that every member of the house, irrespective of political affiliation, will vote in the interests of the constituents who sent them here and bear in mind the request which has been made by seven provincial premiers for a stay of the board's order.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, many members have spoken eloquently in this debate, but a good deal of material is still available that has not been discussed, and I propose to introduce some new ideas.

In the first place I would urge upon the Minister of Agriculture (Mr. Gardiner) that he stay in Ottawa a little more. I realize that pressing duties take him away from the capital from time to time, but it is unfortunate that in two major catastrophes occurring within the last six months the minister was away from Ottawa. I refer to the government's policy in connection with coarse grains which was announced last fall when the minister was in Saskatchewan, and to the recent decision of the board of transport commissioners increasing freight rates. I feel that the minister's absence places him in a very embarrassing position when he has to go back and justify government policy to his friends in Saskatchewan.

In view of the fact that seven of the nine provincial premiers are slated to be in Ottawa this month to interview the government, I cannot think of any good reason why the operation of the board's order could not have been stayed until the premiers were given the opportunity to speak for the people they represent.

I also cannot understand why the government has not taken action to give some relief to the Canadian National Railways in its overcapitalization. This is a problem which has been on our hands for many years, and if the government was really concerned about its own railway it could have afforded relief by adjusting the railway's capitalization. Prior to the amalgamation of the different railways into the Canadian National Railways system these railways were running in the red at the rate of nearly $1,000,000 a week, and I think it was quite unreasonable to ask the publicly-owned utility to take over a bankrupt set of railways and try to operate them in the clear year after year.

When the president of the Canadian National Railways, Mr. Vaughan, was before the railways and shipping committee in 1946 he outlined in some detail the proposals which his company had made to the government. At page 19 of the evidence he said:

> I referred last year to a recommendation of mine that the government accept income bonds of the Canadian National Railway Company in payment of the amount owing by the railway to the government for repatriation of British securities.

Mr. Vaughan also presented a table to the committee comparing the position of the Canadian National Railways with first-class

railways in the United States. It showed that the Canadian National Railways had a ratio of fixed charges to operating revenues in 1939 of 26·24 per cent. Its competitor in Canada, the Canadian Pacific Railway, had a ratio of 16·76 per cent; the Pennsylvania Railway, 18·47 per cent; the New York Central, 14·10 per cent; the Southern Pacific, 13·79 per cent; the Atchison, Topeka and Santa Fe, 6·91 per cent; the Union Pacific, 8·66 per cent; the Baltimore and Ohio, 12·68 per cent. The class one railways of the United States which I have just mentioned averaged a ratio of 15·21 per cent. By 1944, owing to accelerated war traffic, there was a marked improvement in the ratio of all these companies, but still the Canadian National Railways was forced to operate at a very serious disadvantage. Its ratio had been reduced to 11·44 as compared with 6·50 for the Canadian Pacific, and 6·00 for the class one railroads which I have just mentioned in the United States.

At page 25 Mr. Vaughan said:

> If the government of the day had not wished or desired to protect private capital, a number of the railways which now make up the Canadian National would have been forced into liquidation because of the fact that they could not meet the interest charges on their funded debt, and the result would have been that their funded debt would have been reduced to a point where they could earn interest charges on it.

Mr. ISNOR: Does that statement apply to the United States lines as well?

Mr. NICHOLSON: No, he is speaking of the Canadian National.

Mr. ISNOR: The lines in the United States are privately owned.

Mr. NICHOLSON: But they have been taken to the cleaners and have adjusted their capitalization, and so they can show a fair ratio of fixed charges to operating revenues.

Mr. ISNOR: They are privately owned.

Mr. NICHOLSON: I am not suggesting that the Canadian government should have asked people outside of Canada who had invested their money in the Canadian National Railways securities to take a loss on their investment. What I am saying is that the government should place the financial balance sheet of the Canadian National Railways in a proper light so that the railway would not for ever be held up to the criticism of those who oppose public ownership that it is always running in the red.

The president of the railway was asked by the hon. member for Rosedale (Mr. Jackman) whether the railway would be satisfied if the proposals made by the president the year before, that the government accept income bonds in payment of amounts owing by the railway, were accepted. Mr. Vaughan replied:

> We would say that we should have a proper set-up, one which would make our fixed charges not more than twenty-five per cent of what they are today. If you do that, if you would make our fixed charges not more than 25 per cent of what they are, we would not come back again. But this would be only a partial remedy of the situation.

I might say that on the basis of the financial statement we had before us at that time, that sort of adjustment would have given the Canadian National Railways around $30,000,000 a year more than they had.

Mr. CHEVRIER: May I interrupt?

Mr. NICHOLSON: Yes.

Mr. CHEVRIER: I presume the hon. member is referring to the suggestion of the acceptance of income bonds in lieu of notes.

Mr. NICHOLSON: Yes.

Mr. CHEVRIER: If that is what he is referring to, it would only be a matter of some $10,000,000 or $12,000,000.

Mr. NICHOLSON: Yes; that was all that would be saved by the government accepting income bonds. But as the president replied to the hon. member for Rosedale, if the Canadian National Railways was placed in a competitive position with the Canadian Pacific Railway and similar class one railways in the United States, they would have to have an adjustment of their capital stock, reducing the fixed charges to not more than 25 per cent of what they had been for the previous year. If they had paid only 25 per cent of that, it would have given them the sort of adjustment they were expecting at that time in an upward revision of the freight rates. I suggest that if the government was sincere in giving the Canadian National some very practical help, instead of authorizing the increase in freight rates it would be much more practical to have made—

Mr. CHEVRIER: May I interrupt? The hon. gentleman is incorrect when he says that the government authorized the increase in freight rates. He is misrepresenting the position entirely.

Mr. NICHOLSON: According to the hon. member for Rosthern (Mr. Tucker) the recommendations of the board of transport commissioners were not final. The cabinet would have the final say. He promised the people of Saskatchewan that nothing would happen; immediately therefore in the final analysis the cabinet must take the responsibility for approv-

ing or disapproving this increase. The cabinet cannot shirk that responsibility.

Mr. CHEVRIER: Apparently the hon. member did not listen to my speech.

Mr. KNOWLES: We read your order in council.

Mr. NICHOLSON: I was interested in reading some of the evidence given by the late Senator McGeer at the hearings in Vancouver in June of last year. I understand that the late Senator McGeer spoke for nearly four hours during the hearings, and made such an eloquent argument that none of the counsel appearing for the railways was able to pick any flaws in his case or embarrass him in any detail. Senator McGeer made reference to the very large percentage of preference holdings outside of Canada. In looking up the annual report for this year I was interested to find on page 20 that ·51 of one per cent of the preference holdings were held in Canada, 96·64 per cent in the United Kingdom, ·34 of one per cent in the United States, and 2·51 per cent in other countries.

Mr. ISNOR: Which company?

Mr. NICHOLSON: The Canadian Pacific. The late Senator McGeer was very eloquent in protesting against a proposal to increase the toll on Canadian citizens to protect such a large number of people living outside of Canada. He had something to say about the board of directors; he said that there is only one member of the board of directors who lives west of Toronto, the Hon. Eric W. Hamber, Vancouver. He pointed out that the list of directors includes: The Right Hon. Sir John Anderson, London, England; Edwin G. Baker, Toronto; L. J. Belnap, Montreal; Hon. F. Philippe Brais, Montreal; D'Alton C. Coleman, Montreal; Hon. Charles A. Dunning, Montreal; G. Blair Gordon, Montreal; Hon. Eric W. Hamber, Vancouver; John W. Hobbs, Toronto; Louis L. Lang, Kitchener; W. A. Mather, Montreal; R. S. McLaughlin, Oshawa; Ross H. McMaster Montreal; Sir Edward Peacock, London, England; Howard P. Robinson, Saint John; Robert C. Stanley, New York; G. A. Walker, K.C., Montreal. Senator McGeer had some rather unkind remarks to make about his old friend, Hon. Charles Dunning. He said:

> Take Hon. Charles Dunning. He started in England and got everything in the way of progress from the confidence that western Canadians placed in him. Probably no one is more guilty in the estimation of railway men of making greater blunders in railway building in Canada than this same Mr. Charles Dunning.

On page 8332 of the evidence Senator McGeer referred to the 1946 Canadian National deficit of $8,961,000 resulting from including a charge for interest on government loans of $21,322,583. He said:

> Why does the government of Canada want interest on its own public utilities? We financed this war through the chartered banks in substantial measure by using deposit certificates. We got the money at three-quarters of one per cent and every chartered bank financing the war on that basis was in the excess profits taxes brackets. Imagine a nationally-owned public utility corporation asking for an increase in rates to pay $21,000,000 of interest into the federal treasury, when in the post war period we lent England a billion and a quarter dollars for five years. We did not say to her that we wanted any interest. No, we said for five years you are to pay no interest. Further we said we won't accept any interest from you on that loan unless your economic position is such that you can pay it.

Mr. HARRIS (Danforth): On a point of order, how much longer is the hon. member going to read from this essay that he has in front of him?

Mr. DEPUTY SPEAKER: Is the hon. member reading from a committee report that has been tabled?

Mr. NICHOLSON: I was reading from the evidence that was given before the board of transport commissioners.

Mr. CHEVRIER: That is not evidence; that is a statement made by counsel.

Mr. NICHOLSON: I should like to know what you call the evidence given by the former mayor of Vancouver to the chairman of the board of transport commissioners when the board was sitting in Vancouver trying to find out what public opinion was in connection with the matter. I should like a ruling, Mr. Speaker, as to whether I am in order in discussing it.

Mr. CHEVRIER: I submit with respect that the hon. member is not in order if he is quoting a statement made by the late Mr. McGeer, who was not a witness, but counsel.

Mr. NICHOLSON: I would like a ruling, Mr. Speaker.

Mr. DEPUTY SPEAKER: I understand that the hon. member is reading from part of the record?

Mr. NICHOLSON: I am reading from part of the evidence given by the late Senator McGeer when the board of transport commissioners sat in Vancouver and invited publicly interested organizations to appear to give evidence for or against the increase in freight rates.

Mr. CHEVRIER: What was the date?

Mr. NICHOLSON: June 19, 1947.

Mr. DEPUTY SPEAKER: It is not very clear to me whether the hon. member is reading from the record, but hon. members have been allowed to read from newspapers which I do not think they should have been permitted to do. Under the circumstances I am going to allow the hon. member to continue.

Mr. ROSS (Souris): It was not allowed a few minutes ago.

Mr. HARRIS (Danforth): I rise on the same point again. Within the last hour an hon. member was called to order for reading from a newspaper, and he had to desist. That took place before you, sir, took the chair.

Mr. DEPUTY SPEAKER: Yesterday afternoon I recall that a number of hon. members read newspaper articles, which I do not think they should have been allowed to do. I do not think it was in order. Probably I should state now that it is not in order for an hon. member to read from a newspaper or to read any statement made outside of the house reflecting on any debate which is before the house. At the present time it is not clear to me that the hon. member for Mackenzie is not reading evidence from the record; therefore I am not going to stop him. I would ask him to use his discretion as to how much further he should read.

Mr. NICHOLSON: I have finished that particular part.

Mr. MITCHELL: May I ask the hon. member for the source of the remarks he is reading?

Mr. NICHOLSON: If the hon. member had stayed in the house and listened he would understand. He does not expect me to repeat it three times.

Mr. MITCHELL: I say to my hon. friend that I spend more time in the house than he does.

Mr. NICHOLSON: I announced that I was quoting from page 8332 of the evidence which was taken during the hearings when the board of transport commissioners were in Vancouver. I was quoting from the evidence given by the late Senator McGeer.

Mr. KNOWLES: He is not even listening now when you do answer his question.

An hon. MEMBER: What has the hon. gentleman in his hand?

Mr. NICHOLSON: I have my notes in my hand and the hon. gentleman is free to check on it. At page 8365 of the evidence the late Senator McGeer made the following statement:

> I am quite satisfied this case is not going to end here, no matter which way it is decided. Furthermore, I believe it must be dealt with as a matter of public policy, because I do not think that these railways or this board have any power to attempt to solve the situation by this proposed increase of rates. On the contrary, I am firmly of the opinion that it will require a national policy vigorously and effectively enforced, and in the formation of that national policy in our system of constitutional democracy, the high court is not the governor in council, it is public opinion.

I should like therefore to take this opportunity to urge hon. members, particularly on the government side, to take to heart the words of wisdom of the late Senator McGeer and to consider what is in the best interests of the people whom they represent. I might mention that excellent evidence was given by representatives from all the provinces, but I have made a special study of the evidence presented on behalf of Manitoba, Alberta and Saskatchewan. The government of Saskatchewan was in my opinion to be commended for having selected as chief counsel Hon. M. A. MacPherson, who was attorney general and provincial treasurer in a former Conservative administration. I believe that all who followed the hearings were convinced that Mr. MacPherson did an outstanding public service in cross-examining the witnesses and in presenting the case for the people, especially in the prairies.

On page 8 of the brief presented by the province of Saskatchewan it is pointed out that the effect of the increase would be inflationary, and that:

> If these forces continue to hold up the current level of economic activity, then the proposed increase in freight rates could easily become a factor leading to a further inflationary rise in prices since it would lead in all probability to further demands for higher wages . . . The effect of the proposed increase in freight rates might easily be such as to bring a double impact upon the industrial areas of Canada.

Then on page 9:

> Great as is the threat which a substantial increase in freight rates offers to the Canadian economy as a whole, a still greater danger lies in the extreme probability of further disruptions in regional and international relationships. In the first place, to the extent that prairie incomes over a term of years have tended to be lower than the national average, an increase in freight rates will be regressive in that the burden will be borne by those least able to support it. In the second place, as will be shown at length in other parts of this submission, the proposed increase would almost inevitably be reflected in further sharp reductions in western incomes.

In the submission by the Edmonton chamber of commerce attention is drawn to the effect which the increase will have and what it will mean to the people in that province. The Alberta members have presented this case very well, but I was interested in the rates applying to flannelette blankets which move to Edmonton at a rate of $4.53, whereas the rate from Montreal to Vancouver is $1.75. I find that the citizens at Holden, which is 60 miles east of Edmonton, if they were interested in ascertaining the freight rates on this description of material shipped from Montreal, would receive some rather unusual advice from the agent. The agent would say to them, "If you are in a hurry for the material and want it shipped here directly we will give you one rate, but if you are not in a great hurry, if you are satisfied to have the material go from Montreal to Vancouver and shipped back from Vancouver to this town, 60 miles east of Edmonton, we will give you a rate of 21 cents per hundredweight less than that which you would be charged if the material were shipped here directly."

I submit therefore that it will be very difficult to convince the people in the prairies and in British Columbia that a further increase of 21 per cent in freight rates that are now out of line in those provinces should be imposed upon our people.

In the material prepared by the Saskatchewan government some time ago we have a comparison of freight rates between Megantic, Quebec, and Ingersoll, Ontario, 596 miles, where the rate on lumber is 24 cents. From Golden, British Columbia to Moose Jaw, the same distance, it is 40½ cents. On lumber the western rates are 39 to 69 per cent higher than the eastern rates.

The cement rate from St. Mary's, Ontario, to Apple Hill, Ontario, 388 miles, is 22 cents, and from Winnipeg to Madrid, Saskatchewan, the same distance, 28 cents. The rates are 30 per cent higher.

On petroleum products the rates in the west are 35 per cent higher; on salt the rates are 30 per cent higher, and so all across the line. But there is no reason for that. It has been demonstrated by the railways that they can actually move material more economically in the west than they can in the rest of Canada. I have here the orders and regulations of the board of railway commissioners for September 1927, giving the actual cost of moving freight in the different provinces.

Manitoba had the lowest rate at that time: ·00232; Saskatchewan the second, ·00281; Alberta the third, ·00299; Ontario the fourth, ·00367; British Columbia, ·00376; Quebec, ·00504; New Brunswick, ·00553. Nova Scotia and Prince Edward Island do not appear in this table.

I was interested in the net earnings of the Canadian Pacific Railway over a period of years in the east and in the west respectively, during the depression years and the years of the war. Their net earnings were much higher in the west. These were the earnings in the east and in the west in the following years:

	East	West
1936	$5,855,000	$17,455,000
1937	10,013,000	13,728,000
1938	3,319,000	17,432,000
1939	5,949,000	22,573,000
1940	14,058,000	21,580,000

Obviously it is unfair to impose a further 21 per cent tax on the people west of the great lakes, when that part of the system has been so profitable and when our people have been penalized throughout the years as a result of these exceedingly high freight rates.

Mr. SMITH (Calgary West): Is that freight rates alone?

Mr. NICHOLSON: Yes.

Mr. ISNOR: What were the profits of the Canadian Pacific Railway last year?

Mr. NICHOLSON: The hon. member can get it. I am glad the hon. member for Fraser Valley has come into the chamber. I understand he is speaking immediately after me and I want to make an appeal to him. I have a very high regard for the hon. gentleman. I think it is his opportunity now to perform an outstanding service to Canada and it is up to him to decide whether this injustice shall be perpetrated.

Speaking a few days ago, the hon. member commended the hon. member for Rosetown-Biggar (Mr. Coldwell) for the excellent speech he made. In fact he said it was the best speech the hon. member for Rosetown-Biggar has delivered since 1940. The hon. member intimated that if an opportunity were given to hon. members to test the opinion of this house, even although it involved a want of confidence motion, there would be at least three members on the government side who would be expressing lack of confidence. He said as reported at page 2653 of *Hansard*:

> I can assure the government that if some of my legal friends, the hon. member for Lake Centre or some other member of his profession, can show me how a motion can be introduced that will present this issue straight to the house, at least three British Columbia members will vote in favour of the motion, even it it should

be a want of confidence motion, because we believe that the very future of our province is at stake in this matter.

The hon. member was right. The future of his province, as well as that of the prairie provinces, Nova Scotia, New Brunswick and Prince Edward Island, is at stake. Even if the government were defeated, if the members on the other side of the house are of the opinion that they have public opinion behind them, there would be no question of their coming back with a fresh mandate. But if the members of this house are not prepared now, as this debate closes, to stand up and be counted for or against this increase in freight rates, then we are going to introduce into our Canadian economic life a question that is so controversial that it will divide east and west more sharply than they have ever before been divided. It will make at least seven of the nine provinces feel that the dominion government has given them anything but a square deal.

We have heard from the hon. member for Vancouver North (Mr. Sinclair). He intimated that he was not one of the three mentioned by the hon. member for Fraser Valley. But we have not heard from the hon. member for Comox-Alberni (Mr. Gibson), the hon. member for New Westminster (Mr. Reid), or the hon. member for Fraser Valley (Mr. Cruickshank) in this debate. I hope those three will make good the promise that was given a few days ago, to the effect that they are prepared to vote against this government and let the chips fall where they may.

Like the hon. member for Souris (Mr. Ross) who has just spoken, I have never had any time for those who advocated secession. Nothing would be gained by forming two or three separate countries within this dominion. Nothing would be gained by linking up with the United States. Within our democratic framework I think we have the machinery necessary to make it possible for us to iron out these differences.

I want to make my position clear. As far as the Canadian National Railways are concerned, I do not think the government needed to worry about giving them relief in this way at this particular time. I do not think the Canadian Pacific Railway is in the position of needing help at this time. I feel it might have continued for at least another year until all the facts were thoroughly studied. I find that this railway has had generous treatment at the hands of the people. Again quoting from the board of railway commissioners for Canada, judgments, orders, regulations and rulings, under date of September 12, 1927, I find that the late Premier Oliver of British Columbia mentioned the favourable treatment given to this railway, at page 147, as follows:

Cash subsidy	$25,000,000
Constructed railway including service	38,000,000
Cash in exchange for subsidy lands	10,000,000
18,206,985 acres selected lands valued at	27,310,000

Premier Oliver of British Columbia at that time said:

> At the time of union, the people of British Columbia, protected by the statutes as then in force, had no reason to think, and as a fact did not anticipate, that they would be required to pay higher rates for service from the railway than were imposed in other parts of Canada on the same railway.
>
> Had the terms of union stipulated that higher rates might be charged in British Columbia for railway service than were charged by the same railway in other parts of Canada, the people of British Columbia would not have entered the union on such terms.

I suggest, Mr. Speaker, that now would be a good time for the hon. member for Fraser Valley to help right this injustice which has irritated the people of his province through so many years.

Mr. G. A. CRUICKSHANK (Fraser Valley): This is the first time, Mr. Speaker, since I have been in this house that I realize how important a man I am. I have had this idea about myself ever since I entered politics, but never had it been recognized in the house until today. I have just come from a meeting that I think was probably almost as important as this one. That is the reason I was out of the house. I am a member of the veterans affairs committee. The widows of non-pensioned Canadian veterans are appealing to us for assistance. That is the reason I had to miss part of what was said by the hon. member for Souris (Mr. Ross) and part of what was said by the hon. member for Mackenzie (Mr. Nicholson). That may be one of the reasons why I do not altogether appreciate the attitude of the government and of the board of transport commissioners in connection with this increase, since in my opinion any increase in freight rates will increase the cost of living of those veterans' widows.

As I said, I am glad to note that my hon. friends of the C.C.F. party now appreciate my value. In some ways I am sorry that they are not like my hon. friends of the official opposition who change their leader three or four times a year. I might have an invitation to take over their party.

Mr. NICHOLSON: We shall watch how you behave today.

Mr. CRUICKSHANK: I am glad the hon. member for Mackenzie mentioned what I said on April 5, 1948, in connection with the motion from the other side of the house. It is true that I was talking a little bit large when I said three members from British Columbia would vote for it. After all, I have authority to speak for only one member, and that is myself. The other two members may not be quite as bright as I am, and may not fall right in line. I am glad that the hon. member mentioned exactly what I said on that date.

An hon. MEMBER: Who were the other two?

Mr. CRUICKSHANK: I will let them speak for themselves. As will be remembered, I said that if there should be a motion that would bring this matter fairly and squarely before this house and the people of Canada—and I want to repeat that: fairly and squarely before this house and the people of Canada—I would support it. Hon. members can read in *Hansard* exactly what I said. I probably spoke too broadly when I attempted to speak for someone else. I said I would support the motion even if it meant a vote of want of confidence. My hon. friends of the C.C.F. party do not often slip. The hon. member for Winnipeg North Centre (Mr. Knowles) is an expert in preparing amendments. In fact, he is so good that not long ago he marshalled out half his followers on the other side of the house and almost defeated the government by rushing them in suddenly. I am sorry that in preparing this amendment he did not take the time to prepare it as it should have been prepared. I said at the time, and I repeat it now, that in my opinion the leader of the C.C.F. made an excellent, non-political, non-regional speech in connection with freight rates. In my opinion he made by far the best speech that has been made during this debate on freight rates. I repeat that, and I have no hesitation in doing so. The hon. member for Rosetown-Biggar (Mr. Coldwell) sent out the party whip who took only a minute or two to prepare his amendment. He came in with an amendment which the hon. member for Winnipeg North Centre himself described as one of non-confidence. At page 2745 of *Hansard* of April 7, the hon. member's concern was not as to whether it will help the people of Canada, or particularly the people of my province who suffer more just now than does any other part of Canada; rather he said:

> Carry this amendment and you will defeat the government.

The same thing was said by the leader of the C.C.F. party at page 2744 of *Hansard,* in almost identical language. In other words, the amendment was moved for other reasons than to improve the lot of the people of western Canada by eliminating discrimination. That amendment, which is at page 2743 of *Hansard* for April 7, appears in these words, and I want this on record again:

> That all the words after the word "that" to the end of the question be deleted and the following be substituted therefor:
>
> "this house is of the opinion that the failure of the government to defer the imposition of the increases in freight rates recently authorized by the board of transport commissioners is inimical to the best interests of the people of Canada; further this house is of the opinion that the government should reconsider this matter and take action to prevent the proposed increases from coming into effect at this time."

Mr. KNOWLES: Don't you agree with every word of that?

Mr. CRUICKSHANK: I agree that the policy was not the best that might have been followed, but I defy the hon. member or anyone else to show me anything in that amendment which will help the situation. I shall refer to the subamendment in a moment; but if there is anything in this amendment that will help the poultrymen and berry growers of British Columbia I should like to be shown it.

Mr. KNOWLES: It is in one word; it asks for reconsideration.

Mr. CRUICKSHANK: Why did you not word it as the leader of the opposition worded his amendment? I am not altogether in favour of that one, but it is a far better resolution than yours.

Mr. KNOWLES: All right; vote for his amendment.

Mr. CRUICKSHANK: I will do my own voting, and also my own talking. I believe the government erred in this connection, and I frankly say so. For the life of me I cannot understand why the government had to bring this increase into effect at once. Ever since I have been old enough, I have been borrowing from the banks, though perhaps my credit is not exceptionally good. To tell me that the two great railway companies could not have borrowed enough money to meet the demand for increased wages for only thirty days just does not make sense. I believe this action was an insult to seven premiers of Canada. I do not care what party they belong to; they represent seven of the provinces of Canada against the other two. All they asked was a delay of one month so that they could present

their case. As I say, I believe the government was wrong in not granting that thirty-day delay. I do not agree with the government when they say it was necessary that the increase be put into effect at once. I do not think a short delay would have hurt the railways at all, because in the long run any decision would have been made retroactive.

Mr. CHEVRIER: No.

Mr. CRUICKSHANK: Perhaps not, except as to wages; but I say to the minister that if the railways of Canada will go bankrupt if they do not get that 21 per cent increase for thirty days, then it is time we took them both over and put in new management. What is most important to me in this connection, as I said the other day, is national unity. I do not believe you will ever get national unity in this country if two provinces can dictate to the other seven, and I do not care which two provinces they are. I am not referring to the members from either of those provinces who sit in this house. In my experience at Ottawa the members most willing to co-operate in anything which is in the best interests of Canada, particularly in the economic field, have been the members from the province of Quebec. I only wish the members from Ontario were the same. But I do not think any seven provinces should be imposed upon by the actions of the other two. I believe the government are mistaken in this policy, and in my opinion we shall get no action toward eliminating these discriminations for a long, long time if we depend upon the board of transport commissioners, without a directive from the government. The province of British Columbia has spent hundreds of thousands of dollars for the best legal talent it could engage.

Mr. GIBSON (Comox-Alberni): The lawyers got it all.

Mr. CRUICKSHANK: That is quite true; the lawyers got enough to make up the deficit of the province of British Columbia. We shall now have to start all over again. According to the minister, the board has the authority to wipe out these differentials. In that case I think it is the duty of the board and the government to do so, without any further hearing. They have all the information already with respect to the mountain differential and other inequalities in certain parts of Canada. No one can tell me that the evidence presented to the transport commission by the greatest authority on freight rates we ever had in Canada, the late Senator McGeer, is not still on record; and there has been no great change in the meantime. Conditions may have changed, but that has nothing to do with these inequalities; that is covered by the increase of 21 per cent. All the evidence with respect to the mountain differential is before the board, and I think it is the duty of the government to issue an absolute directive to that board. I do not see any point in setting up a royal commission or other special body, for if there is to be an inquiry they will have the same experts to advise them. I particularly object to the fact that the delay of thirty days was not granted in order to permit the seven premiers to appear before the cabinet.

I now wish to say a word with respect to the amendment moved by the leader of the opposition (Mr. Bracken), which, at least in one respect, goes to the core of the matter, in that it describes the discrimination which is being practised as against certain parts of the country. I have not a copy of the subamendment before me, but if I remember correctly it suggests that before any increase was granted these discriminations should have been wiped out. With that I entirely agree. I am sorry I cannot support the C.C.F. amendment, because I do not think it means anything.

An hon. MEMBER: It is the same amendment.

Mr. CRUICKSHANK: It is not. The C.C.F. amendment says that this government has lost the confidence of the people, and that it is no good. I do not agree with that. With the international situation as it is today, I do not believe the people of Canada want an election; and do not think I am afraid to face one in my riding today, tomorrow or any day. If the amendment should carry, what could we expect but a general election, if hon. members like myself were asked to vote not on the matter of freight rates but on a direct question of want of confidence? I think the members of the C.C.F. party will admit that they could not form a government, and even the junior Conservative party in the far corner will admit that with the material available at present, there would be little chance for the party across the way to form a government. So obviously if the amendment carried there would have to be a general election immediately. I think the C.C.F. are quite right in fighting against discriminatory freight rates, but I say they should force the issue on freight rates, but not on a straight motion of want of confidence, in the only party that can carry on under present conditions.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I am sure all hon. members present will agree that we have had a very interesting inside account of yesterday's Liberal caucus.

At such a late stage of this debate I hesitate to intervene, and I do so for only one reason. I do so because I think it desirable that someone from the province of Ontario—I am sorry the hon. member for Fraser Valley (Mr. Cruickshank) did not include us with the province of Quebec—should rise and say that he deeply regrets the situation which has arisen; perhaps I should say "someone else" from Ontario. Today we have seven provinces which genuinely feel they have been sinned against and that, whether or not it is the fault of the provinces of Ontario and Quebec, somehow we are getting an advantage we should not have. I believe we in Ontario and Quebec are very much like the people of the rest of Canada. I do not think we want any unfair advantage. It is because the government, by its neglect, has allowed this situation to develop that I feel justified in voting, as I intend to vote, for the motion of want of confidence in the government.

I want to digress just for a moment on the question of freight rates, to make my position quite clear. I agree with what has been said, and said very well, by the hon. member for Rosetown-Biggar (Mr. Coldwell) on another occasion. I agree that the railways must receive sufficient earnings to keep them sound. I agree with the hon. member for Rosetown-Biggar that it is a discouraging and even demoralizing thing for the officials of the Canadian National Railways, and I mention them particularly, to travel along with deficits such as they now have. They had a deficit in 1947, a year of record high business. Therefore I say not only is that prima facie evidence, but it is obvious that the railways have to have additional earnings. How can anyone expect the railways, in the face of the terrific increase in costs during these last years, not to need an increase in their earnings?

I wish to make another point which is perhaps incidental. There is an idea that some way or another all deficits of the Canadian National Railways can be cured just by relieving it of a lot more of its indebtedness. There is no warrant for that belief. The Canadian National Railways has had many hundreds of millions of dollars of its indebtedness absorbed, and in my opinion rightly so, by the government of this country. That has been done because they were forced to take over and put together a number of lines that were not intended originally to be put together. Nevertheless the Canadian National now have an indebtedness to the public of only something less than 25 per cent of their apparent assets. They have an indebtedness to the public of, I think, only some $582 million against apparent assets of well over $2,000 million. Therefore I say that this increase in rates is something which the railways needed.

I now come back to the main point. I think it is a lamentable thing, something which should not be tolerated, that we should have in Canada—goodness knows we have enough difficulties in this country, enough things to divide us—a further division of the country on this question of freight rates.

The other day the minister made a most excellent speech. I tell him that if ever I am in trouble and have a weak case and need counsel to defend me, I shall be glad indeed to be able to get his services. He made a most plausible and even persuasive argument that there was really no fault on the part of the government, that the fault was all on the part of the provinces. He told us, and I have no doubt he was correct in telling us, that during the course of the rate investigation it had been pointed out that this was purely a matter of rates and that everyone had agreed that it was no occasion on which to discuss discriminations. The minister pointed out further, and at the time I was quite impressed, that in a great many years there had been no appeals from the provinces, that, although they could have come in and appealed against these discriminations, they had not done so.

Mr. CHEVRIER: I am afraid I shall have to interrupt the hon. gentleman. I did not say that there had been no appeals from the provinces; I said that there had been no variation of the board's orders, which is a different thing. I assume that the provinces did appeal from time to time from the various judgments.

Mr. MACDONNELL (Muskoka-Ontario): I will correct myself. The minister said that in those years the provinces did not take the initiative in coming and complaining against these inequalities. Is that correct?

Mr. CHEVRIER: From 1927.

Mr. MACDONNELL (Muskoka-Ontario): I was quite impressed with that at the time, but I looked up the judgment of 1927 when the matter was gone into most exhaustively. When I saw certain things that were said there I decided that, after all, I was not quite so impressed. It seems to me that in the course of that judgment various phrases were used which practically said to all concerned, there is no use in coming to Ottawa and talking about these things because they are all settled. I shall refer only briefly to the head-note of that case which is indicative of others. In refusing certain requests it was said that "the

matter had been developed in other judgments and there seemed to be no other possible course to follow."

I can well imagine anyone thinking of coming here to appeal coming up against what he might regard as a judgment which says everything has been decided and there is no use in coming here and talking about it. The hon. member for Calgary West (Mr. Smith) points out that what I should have said was that there was no use of their coming here themselves and making application to the board after what had been done.

I come back to my first point, namely the fact that we have this discontent. In my opinion the government are greatly to blame for having let this situation ride along all these years, knowing that this discontent existed. They must have known it; they did know it. There was plenty of evidence of it. We had most eloquent testimony from both sides of this house during the earlier course of this debate. It is very sad that some of the voices have been stilled; nevertheless the fact remains that at one stage in the debate there was a considerable measure of agreement.

One of the responsibilities of men in responsible positions is to be able to foresee the consequences of their acts and also of their neglects. I say that the allowing of this situation to go on has resulted in just what is referred to in the amendment of my leader. Anyone should have been able to foresee, first of all, that in the face of rising costs the railroads would be granted higher rates. Anyone should have been able to foresee that the effect of that would be exactly what it has been, namely, to cause bitter complaints throughout this country, complaints which I think are most lamentable and most injurious to the welfare of the whole body politic.

There is only one further point I want to make. To have given thirty days to the provinces in which to come here and have another go of it would, I think, have been a most reasonable thing. I realize that the minister will probably say to me, "What was the use of their coming here? They would just say the things that were said before. It would be just a sign of weakness and we would be just pushed from pillar to post." In reply to that, I would say that it would have been a courteous thing to do. It would have been a sign of conciliation. I think it might have done something to lull the bitter feeling which we are seeing from coast to coast.

The minister made a very persuasive argument. It was so persuasive that I had to get away and think it over before I realized that it was not as convincing as it sounded at the time. He said that everything would be all right for the future, because the government was commissioning the board to go ahead and go over the whole thing again. He quoted the chairman of the board to the effect that he thought the board had sufficient power to enable them to review the situation.

What I intend to say now is not said with any disrespect toward the board or any member of it. If the matter is merely reviewed under the wording of this order in council, which does not seem to me to open the thing up or change it or give the board a fresh start in any way, I am afraid that, while the board may review the thing, they will review it, faced with all the decisions which have been made in the past. How are they going to jump outside of what they have done in the past? I do not see how they can do so. I am inclined to agree with the hon. member for Fraser Valley (Mr. Cruickshank) that they must have a new directive. I am not competent to say what that new directive should be.

Mr. CHEVRIER: What they need is new evidence.

Mr. MACDONNELL (Muskoka-Ontario): That is the thing that bothers me.

Mr. CHEVRIER: It is not direction that they need.

Mr. MACDONNELL (Muskoka-Ontario): I was hoping—I really got my idea from the speech of the hon. member for Calgary West (Mr. Smith)—that perhaps it might be possible to call in some new board. I have thought that over and discussed it with people, who know more about it than I, and they think that to bring in a new board would not be feasible. That board would have to make use of the same experts and, furthermore, this is a highly technical matter. We should remember that. It would probably take a long time before they would even understand this highly complicated matter.

But I doubt very much if under this order in council we shall get a fresh start. There is a feeling on the part of people throughout the length and breadth of this country that these men cannot really look at this thing afresh, unless they are given some new directive, to use the words of the hon. member for Fraser Valley, that is, unless the government takes responsibility.

It is finally the government's responsibility. Perhaps they could lay down some different rules under which this is to be done. I know that is difficult, and that it is a complicated

matter; but I repeat, we have in this country a situation which is lamentable and I believe the government have been grievously at fault in allowing it to arise. I am dubious whether they will accomplish anything better under this order in council; whether they have really started out even now to cure the situation.

Mr. A. W. STUART (Charlotte): Mr. Speaker, in the few remarks I have to make I believe I shall be introducing something new in this debate, and I am pleased to see the hon. member for Danforth (Mr. Harris) and other Ontario members now in their seats.

During this debate thus far we have heard little criticism regarding the necessity of increasing freight rates. It would appear as though the great majority of members who have taken part in this debate are convinced that an increase in freight rates is essential. The criticism that has been made is of the inequality of the way in which the rates are increased. I believe that, because of the increase in compensation paid to the railway employees and the enormously increased costs of materials used in the operation of the railroads, more revenue must be found, and sufficient evidence has been adduced to prove that this increase is necessary.

The chief criticism is that eastern Canada and western Canada must bear the greater part of the burden, while Ontario and Quebec have little reason to complain. In other words, the failure to equalize the rates is responsible for the criticism levelled at the board of transport commissioners and the Department of Transport.

The increase was opposed by seven of the nine provinces. The neutral attitude taken by Ontario and Quebec would indicate that these provinces were not adversely affected.

If we wish to achieve the utopia of a united Canada, which appears to be approaching very slowly, sectionalism, the predominant factor in this debate, must be discarded, this atmosphere of suspicion completely cleared and a spirit of co-operation introduced in which we may approach this problem not as maritimers or as British Columbians, western or central Canadians, but as united Canadians.

I will take a few minutes to point out one of many circumstances in New Brunswick in which the citizens affected have developed a feeling of distrust toward industrialized central Canada. For many years in the town of St. Stephen, in the county I have the honour to represent, the St. Croix Soap Company manufactured an article used practically exclusively in the maritime provinces, and well known in many other parts of Canada. Many citizens of this town were employed in this thriving industry. A few years ago Lever Bros., a large manufacturer in central Canada, approached the management of this small industry; they painted a glowing picture of the manner in which this little industry would grow if it were controlled by Lever Bros. The offer made to the owners, and the visions of a much larger industry, influenced the St. Croix Soap Company to sell their business to Lever Bros.

In a very short time production started to fall, and during the last war, when materials used in the manufacture of soap were in short supply, they were earmarked for central Canada. Eventually the manufacturing ceased in St. Stephen, and this small business, which means a lot to a small town, was moved to central Canada. We have left there at the present time an empty plant, and many of our citizens are out of employment.

The Mann Axe Company, in this same town, received exactly the same treatment, as did many other small industries in our province. This has brought about, as I have just said, a feeling of suspicion when you mention central Canada to a maritimer. As was pointed out yesterday by the hon. member for Royal (Mr. Brooks), the few manufacturing industries in the maritime provinces which have survived have done so on their merits by producing quality; for example, Ganong Bros. and Moir's, manufacturers of candies; Stanfield's products; Hartt, boots and shoes; Palmer, boots and shoes; Connors Bros., canned fish, and many others who produce quality goods known right across Canada.

Many of these manufacturers have a policy of one price to all. In other words, their commodities may be purchased in Vancouver at exactly the same price that we pay in the maritime provinces.

The Maritime Freight Rates Act provides that westbound freight from the maritimes shall be at a rate 20 per cent lower than that prevailing for eastbound freight to the maritimes. The new rate in no way affects this 20 per cent lower rate from the maritimes.

It has been suggested by several hon. members that if the railway board undertakes an investigation into the rate structure in this country it will not be completed in less than a year and a half or two years.

My belief is that conditions now prevailing can be greatly improved in a very short time if those who are in a position to assist are prepared to meet the challenge. I do not refer to the railway board or to the government of this country but to the manufacturers in

central Canada who are protected by tariffs which have always operated to the disadvantage of the maritime provinces. The lowering of the tariff is one way of bringing about equalization.

Another method of approach would be for the manufacturers themselves to have one price only for every section of this country. This could be done without costing the manufacturers a single dollar.

Mr. GIBSON (Comox-Alberni): Horse meat the same price all over.

Mr. STUART (Charlotte): That would be much preferable to granting subsidies, and I assure the house that it would bring about a much better feeling between the east and the west and central Canada.

I wish to refer to the table which the Minister of Transport (Mr. Chevrier) put on *Hansard* and to quote a paragraph from his remarks when introducing it. He said at page 2902 of *Hansard*:

> A Chevrolet car moving east from Walkerville or Oshawa to Quebec will have to bear an increase of $7.33; to Montreal, $5.33; to Halifax, $7.86; to Toronto, $2.40; to Winnipeg, $17.48; to Regina, $23.39; to Calgary, $29.73; to Vancouver, $31.26.

Mr. GIBSON (Comox-Alberni): Shame!

Mr. STUART (Charlotte): That will be the additional freight when the 21 per cent increase goes into effect. When the increase in the eight cities mentioned has been averaged you will find that the average increase is $15.58; the low in Toronto area of $2.40; the high in Vancouver of $31.26. The manufacture of this vehicle is exclusively in Ontario. This province received full benefit of the thousands employed and of the enormous taxes paid by these large corporations which are protected by high tariffs.

No branch of this industry is established in the maritime provinces. We could purchase our cars in the same country in which we find markets for our produce were it not for tariff protection. Surely we are not taking a selfish attitude when a request is made to equalize the price of manufactured articles purchased from industrialized central Canada.

Many Ontario and Quebec manufacturers have already adopted this plan. For example, Tip Top Tailors, and many others, have one price to all. I shall mention several that I believe should fall in line. To head the list would be manufacturers of cars and trucks, manufacturers of farm machinery and manufacturers of household appliances—

these appear on the list in *Hansard*—such as bathtubs, furnaces, stoves, refrigerators and hundreds of other household articles.

Another important item would be canned vegetables. Canned fish of all kinds, which are manufactured in the county I represent, are sold right across Canada at one price to all. They can be purchased in the city of Vancouver at the same price at which I can purchase them in the town in which I live. British Columbia salmon is another article that should sell in the maritime provinces for the same price at which it sells in British Columbia, and all vegetables that are canned in Ontario should have one price tag from Vancouver to Halifax.

Take, for example, manufacturers of cars and trucks. If they wish to adopt the idea that I have endeavoured to put forward they would have a record of the number of units delivered to each dealer in every part of Canada for several years. It would be a simple matter to find the average freight that should be charged right across the board. In this way those protected by tariffs—which is to the maritimer, as I have stated before, a subsidy—that benefit the citizens of central Canada only, would pay their proportional part in delivering the vehicle to the purchaser in eastern or western Canada.

Interprovincial trade, as well as international trade, must be a two-way street if it is to function successfully. Co-operation is essential. If the suggestions I have made should be adopted by manufacturers of central Canada, it would go a long way toward equalizing and balancing the freight rates that are under discussion at the present time. If hon. members from Ontario and Quebec are sincere in their desire to be helpful in this particular case, in no way could their sincerity be better exemplified than by pointing out to the manufacturers in their respective constituencies the unfair advantage they have taken of the citizens of eastern and western Canada, and at the same time use their influence in support of the removal of this gross injustice. This is not a problem for the government, but for the manufacturers themselves.

As I stated before, I am firmly convinced that an increase in freight rates was necessary; the burden, however, should not be borne by one or two provinces; it should be borne by all. This equalization can be realized to a great extent if we work, not

as individuals for particular sections, but collectively as Canadians, and in doing so our united efforts would produce the desired result.

Mr. J. H. DICKEY (Halifax): Mr. Speaker, in rising at this stage of a long and very fine debate I propose to make several brief observations on a question which is so vital to the maritime provinces generally and particularly to the constituency of Halifax. I propose to vote against the amendment moved by the leader of the C.C.F. party (Mr. Coldwell) and the amendment to the amendment of the leader of the official opposition (Mr. Bracken). I can summarize briefly my reasons for voting as I intend to do.

However, before I develop the one or two points with which I wish to deal I should like to refer briefly to the matter brought up earlier in the debate this afternoon by the hon. member for Dauphin (Mr. Zaplitny). He referred to a press report originating in Halifax relating to a situation in respect of which I had already received representations. I have been able to secure certain information relating to this matter which I should like to put on *Hansard* in order that the hon. member for Dauphin may realize the situation to which the newspaper report refers.

The hon. member made reference to two ships which have been diverted from Halifax. The first is the *English Prince*. This ship cleared from England under orders to proceed to Halifax or Montreal, depending on the opening of the St. Lawrence river. As a result of the opening of the St. Lawrence river this ship, while on the Atlantic has apparently decided to proceed to Montreal. This decision had absolutely no reference to the 21 per cent increase in freight rates. I would point out to the hon. member for Dauphin that it is specifically provided in the order of the board that the 21 per cent increase is not to apply to import-export rates through Canadian ports.

The other ship to which reference was made is the *Martha Kleppe*. This ship had a cargo consisting, in part, of some 2,200 tons of peanuts destined to a firm in Hamilton. I am advised that negotiations for re-routing this ship were in progress before the decision of the board of transport commissioners was handed down, and the decision to re-route this cargo through New York has no reference at all to the board's decision. As a matter of fact, not one ton of cargo in either of these ships was affected by the 21 per cent increase in the freight rates.

The decision of the board of transport commissioners has been to authorize a horizontal increase in the rates of ordinary freight within Canada. This increase is contrary to the representations so forcefully made by counsel for the maritime provinces who appeared at the hearing. It is contrary also to what is conceived to be the spirit and the principle of the Maritime Freight Rates Act and, perhaps most important of all, it is contrary to what many conceive to be the essential interests of the development and the healthy continuance of the economic situation in the maritime provinces.

Protests against this horizontal increase have been widespread throughout the maritimes and in other parts of Canada and these protests have resulted in the announcement of the premiers of seven provinces of an appeal from this decision. The Minister of Transport (Mr. Chevrier) has clearly stated that the government is prepared to hear this appeal and to deal with it when it is made. I should like, as simply and as briefly as I can, to sum up the situation as I see it in its application to the maritime provinces.

As a result of the Duncan commission of 1926, which was a wide and searching inquiry into the whole economic system of the maritime provinces, the Maritime Freight Rates Act was passed by the federal parliament in 1927. The purpose and basis of this act were to equalize existing discriminations against the economy of the area of the three maritime provinces and to do away with certain disabilities which had been imposed upon the economic development of those provinces.

Both before and after that commission and the enactment of the Maritime Freight Rates Act, the board of transport commissioners in various decisions has considered the powers which are given to it under the Railway Act to deal with the question of discrimination and inequalities. It has also, not less importantly, made decisions with respect to the matters and considerations of which, under the act, it is permitted to take cognizance in determining applications of this kind.

My own view is that the board of transport commissioners, in the past, has taken the position that it is not empowered to deal with the kind of discrimination and the inequalities against which we complain in the maritime provinces and, further, that it is not empowered under the act to give consideration to the problems of geography and of distance which we say are the very considerations to which, most importantly, regard should be had in dealing with the difficulties under which we operate in the maritime provinces.

This view which I have stated is not shared unanimously. The government, by the order

in council presented to the house by the Minister of Transport, has instructed the board of transport commissioners to institute a full and searching inquiry into the question of discrimination. The wording of the order in council is addressed to the board and instructs it to make an investigation with a view to establishing a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities in the various provinces and territories of Canada.

This is in line with the suggestion made by my colleague the senior member for Halifax (Mr. Isnor) when speaking in this house on April 5. In stating to the house the basis on which the government had passed this order in council, the Minister of Transport, speaking earlier in the debate, clearly stated his opinion that the board has full powers to deal with all questions of discrimination and inequalities which may exist in the rate structure throughout the dominion, and in addition he has stated that the chairman of the board of transport commissioners has said to him that is also his view of the situation.

I submit that this must be understood as instructions from the government to the board, with respect to the investigation which they have authorized it to make, to exercise its full plenary powers, whatever powers it may have under the act, to carry out a full investigation and to reach a decision on the matter referred to it.

In my opinion this is exactly what is needed to settle the problem from the point of view of the maritime provinces. There is at present confusion as to the powers of the board and as to the division of responsibility for the freight rates structure as between the board of transport commissioners and the government.

When the board of transport commissioners has completed the investigation which it has now been instructed to undertake, and has rendered a decision, all the inequalities or discriminations which may exist should be out in the open and be a matter of record.

In rendering its decision, the board will have to do one of three things. It will have to deal with these discriminations and inequalities in a satisfactory manner; or, secondly, it will have to refuse to deal with them by reason of the fact that it finds it lacks the power to deal with them or that it is restricted, under the provisions of the Railway Act, in the considerations which it is permitted to explore and to take into account in dealing with these matters; or, thirdly, it will bring down a decision which will be found unsatisfactory to the interested provinces.

[Mr. Dickey.]

It is my hope that the board will deal with all the outstanding questions in a satisfactory manner. That would be the object of the inquiry. But if that is not the case, the reason or reasons whereby it has been unable to deal with these matters satisfactorily will be clear to all. It will then be possible to refer any outstanding questions to the government in the sure knowledge that there can be no question in anybody's mind as to where the responsibility lies and on whose authority proper decisions must be arrived at.

I am therefore supporting the government and refusing to support the amendment and the amendment to the amendment for two reasons. One is the expressed and evident desire of the government to consider any appeal which it may be thought proper to make against the present order of the board. The second is that the decision of the government to refer to the board a full and complete inquiry is the quickest and the best method of settling the question of discrimination and inequalities, and of disposing, in the best and the quickest possible way, of any outstanding questions of divided responsibility and jurisdiction with respect to the question of freight rates, which, as has already been said, is one of the most important and serious questions we have to face at the present time.

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, before beginning my remarks on this serious question of transportation and freight rates, may I be permitted to do something that will no doubt give rise to a smile on the face of the Minister of Transport (Mr. Chevrier). I should like to read a few items from a press report I have before me.

An hon. MEMBER: About reefer cars?

Mr. McLURE: You guessed correctly. This press report is dated Wednesday, April 14, and appears in the newspaper *The Guardian of the Gulf*. The heading of it is this:

Reefers now in excess of all demands.

Mr. CHEVRIER: Hear, hear.

Mr. McLURE: Hon. members are smiling. The article reads, in part, as follows:

With 200 refrigerator cars on hand and with about 40 arriving daily, transportation facilities have at last caught up with island potato shippers' requirements and are even in excess of the demand, according to railway officials interviewed yesterday.

Then another item:

All through the season, strong complaints were voiced with regard to the refrigerator car shortage . . . No criticism was made with regard to the local railway officials . . .

There is a great deal more to the item, but that is sufficient for me to read. Another item of interest reads:

Kingston, Ontario, April 13.
The first of 18 diesel locomotives being built for the Canadian National Railways left the plant here today.

That was on April 13. The item continues:

The locomotives are destined for Prince Edward Island.

Having been permitted to introduce my remarks by reading those items, I shall be content. There is a great deal more of them, but I have read just the important parts, and I shall be glad to hand the paper over to my hon. friend the Minister of Transport. It will save my writing him a letter as I did on a previous occasion.

Mr. CHEVRIER: Or asking a question.

Mr. McLURE: No. I can assure the minister that if ever again there is a shortage or a near shortage, he will be bombarded with more questions.

The question of freight rates is, without doubt, probably the most important question that has been brought before the house in some time. Perhaps anything I say on this occasion will be more or less a matter of repetition. However, there are a few things I wish to touch on that are vital in connection with the problems of Prince Edward Island.

In speaking on this question a few days ago, I said it was my opinion—and nothing has yet been produced to change that opinion—that the board of transport commissioners have no authority to set fixed rates for the railways when, as I see it, the authority to fix those rates rests entirely with the government of the day. But they were entitled to make suggestions to the government; and then it was for the government to decide. I do not think the commission has the authority of a court. In fact, while they can bring in submissions to the government, I do not think the government should lose sight of the fact that they have the right to say, right there and then, either that they accept or reject them.

In this case, however, the Minister of Transport, acting for the government, seemed to be in a great hurry to put these increases into effect immediately without due consideration being given to the provinces that were most affected. In my opinion it would have been a better policy had the Minister of Transport listened to the protests that were immediately raised by the seven provinces of Canada in regard to what they called discrimination in reference to them. On this point I might say that I believe the premiers of the seven provinces will be in attendance here in Ottawa in the course of a day or two, but in the meantime this question may be definitely decided. Whether the vote goes one way or the other, the question may be definitely decided and the premiers of the seven provinces will not then have a hearing that is worthwhile.

As I said in speaking about the Canadian National Railways a few days ago, that railway is government-owned and, during the last few months, submitted a statement to the government pointing out that it could not operate under present conditions and asking for a thirty per cent increase in freight rates. The board of transport commissioners, after reviewing the case, come along and say, "No. We can recommend to the government a horizontal increase in the freight rates right across Canada of only 21 per cent".

Perhaps if another investigation were made, the next report would look at the finances of the Canadian National Railways and Canadian Pacific Railway Company in a different light, and we might have only a ten per cent horizontal increase right across Canada. Therefore I think the government were in too much of a hurry in bringing this matter up for an immediate decision. I think the government should have done as the premiers of the seven provinces had urged upon them, namely, wait at least thirty days until some further consideration had been given to the matter.

In reference to the railways, before this matter was really brought into the open, when I was speaking on the speech from the throne I urged strongly on the railway department that certain things should be done with reference to railway men in each province. For instance, I urged that there should be an increase in the pensions given to railway men, especially those who were in the lower wage brackets. I also urged that the men in the lower wage brackets should have an increase at an early date because some of them, from their low wage earnings, had not really sufficient money with which to live in a proper way.

However we are also looking for better transportation service from the railways; we are looking for better passenger service as well as better freight service. When we make those demands on the railway, we know that good transportation service requires good equipment and good facilities; and those in turn can be maintained only by economical operating methods and by proper charges for services rendered to the different provinces.

I give it as my opinion that if the railways cannot continue to operate and give us an improved service, then it is definitely up to the

government to decide how to take care of this service and how it is to be paid for by the people of Canada. After all, the railways were built for the purpose of developing Canada and having trade move from east to west and west to east, under certain conditions with respect to freight rates. If there is to be this great loss of some $33,000,000, according to the last report of the railways, it is a matter for the government to look into and see how that amount can be made up. On the basis of this 21 per cent horizontal increase right across the board, it is an injustice to certain provinces and means discrimination against certain products.

Last evening the hon. member for Royal (Mr. Brooks) carefully reviewed the whole situation in the maritime provinces, so that it is not necessary for me to go into the same details. I agree 100 per cent with his remarks concerning New Brunswick, Nova Scotia and Prince Edward Island, but I should like to add a few words with particular reference to my own province of Prince Edward Island, where I believe we are the most victimized of all under this increase. Under proper conditions, and if we can be shown the need, we are prepared to pay our average share of the cost, having in mind the service we get and the freight we are producing for the long haul.

Just here I should like to mention one particular item. In the case of western Canada the great cash crop is wheat, followed by coarse grains. I was pleased to note that under the order granting the increase the rate on wheat was not changed, that it remains as it has been in the past. In Prince Edward Island our cash crop is seed and table stock potatoes, followed by turnips. Our cash crop is not given the consideration that is given the cash crop of the west. This outstanding industry in Prince Edward Island should not have to pay this increase while the rate on the cash crop of the west remains the same. As I said before, I do not object to the west having this advantage, but the cash crop of Prince Edward Island should be placed in the same position.

With respect to potatoes, we get it both coming and going. We shall have to pay a much higher freight rate on our potato machinery, and it has been stated that fertilizer brought in for use in connection with the production of potatoes will cost $1.40 or $1.50 a ton more because of the increased freight rates. Then, when we ship our potatoes to the central provinces, to Montreal and Toronto, where we have to meet the competition of home grown potatoes, we shall have to pay an additional $1.60 a ton. These increases on both incoming and outgoing freight make a considerable difference.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. McLURE: When the house took recess at six o'clock I was talking about the discrimination against our cash crop of potatoes. As hon. members are aware, this is a perishable crop as compared with wheat and it needs a great deal of care in storage and handling prior to shipment. I submit that the board should have given special consideration to our cash crop as has been given to the cash crop of wheat in the west.

When the Minister of Transport was making his able speech with reference to this subject a few nights ago he seemed to fear that if this measure did not carry as suggested by him there would be amalgamation of the two great railroads. I would remind him of the slogan that we used to hear at one time: "Amalgamation never, competition ever." We have no fear of amalgamation in Prince Edward Island because there is no competition as far as the railroads are concerned.

This is a serious question for our producers. For instance, our shippers were handicapped for a time last winter because of a shortage of reefer cars. If there is a shortage of cars in New Brunswick the people there can appeal to the Canadian Pacific and obtain the same number of cars that they would procure from the Canadian National. Since we have no competition, we are entirely in the hands of the government-owned Canadian National. I was glad to be able to put on the record that the Minister of Transport had been able to meet the need for reefer cars. However, as I said, if there were competition we could appeal to the Canadian Pacific when such a shortage arose.

The other night the hon. member for Royal stated that he had received a great many telegrams, letters and telephone calls from people in the maritimes. I think most hon. members from the maritime provinces have received scores of telegrams, letters and telephone messages demanding that the members from the maritimes stick together on this issue and fight to have it left as it was before, especially as far as the maritime provinces are concerned.

When the hon. member for Waterloo South (Mr. Homuth) was speaking on this question

the other night he said that in his opinion the great province of Ontario would be willing to pay its share of the cost of any revision of freight rates. I suppose it was quite reasonable for him to say that, because if there is a deficit to be paid by the government it would mean that Ontario, considering the amount of taxes which that province pays, would probably pay 50 to 60 per cent of the deficit.

While I can speak for only a few members from the maritime provinces, I know that they have received letters and telegrams from their own people, most of them complaining of a violation of the terms of confederation and the provisions of the freight rates act of 1927 as well as of the recommendations of the Duncan commission of 1926.

Apart from repeating what the hon. member for Royal has said, I have covered the ground pretty well. Prince Edward Island is differently situated from New Brunswick and Nova Scotia. Those provinces produce certain manufactured goods but there are few industrial plants in Prince Edward Island. Our province is largely agricultural. If this commission were making due inquiry into the conditions of our province with reference to the freight shipped therefrom I cannot understand why they should ask the government to nullify the provisions of the Maritime Freight Rates Act and the recommendations of the Duncan commission.

A demand has been made of most members from the maritime provinces that we implore the government through the Minister of Transport to delay this matter until the representatives of the seven provinces have had an opportunity to make their protests known to the government. I should like to read part of one telegram which I received, as follows:

> We look to the members from the maritime provinces to fight for the restoration of our former position under the act.

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, many excellent speeches have been delivered on the question of freight rates, and I feel that I cannot add anything new, certainly not along the lines that have been covered so far. I am going to approach this subject from another angle and shall endeavour to make a suggestion or two. If they cannot be considered now, perhaps consideration will be given them later on.

I have in mind quite clearly what the minister said in his excellent speech. When the minister speaks he presents his arguments in a plain, matter of fact way so that everyone can understand what he means. I have in mind clearly what he said. Three facts stand out: No. 1, that we must have railways; No. 2, that the railways must have more revenue, and No. 3, that there should be more freight.

I have asked myself, Mr. Speaker, just what are the reasons for the railway situation in Canada being what it is, and answering that to my own satisfaction, I then asked myself: Are we forever to be facing the problem of increasing freight rates every few years? Is there not some method by which we can have at least some fixity of railway tariffs?

I am not going to blame the railways in any shape or form, or anybody else, unless I blame all of us who are members. I remember quite a few years ago—I was not a member then—I had to come to Ottawa nearly every week, and I used to go and sit in the railway committee room where often in those days plans were placed before the members for railway extensions here, there, and everywhere throughout the country. Those were the days of railway expansion. Those who represented the railways had to contend against the members of parliament of those days who were pressing their demands for a railway in this direction or in that direction, and naturally they recommended that the railway run through their own community or somewhere near it. The members themselves were being besieged by everybody back home to see that the railway ran in their direction. As a result of all this pressure, the railways were compelled to build lines which their engineers told them, and which they knew themselves, were wholly uneconomic. That is one of the burdens with which our railways have been afflicted down through the years and which has put them in the boat they are in today. I will give just four examples in different parts of the country.

If you were to travel away to the west, Your Honour, in the direction of the Alaska highway, you would have to pass through Edmonton if you went by rail. The railway after it leaves Edmonton has its terminus at Dawson Creek, but at the time the railway was built it was never determined that Dawson Creek should be the terminus. The railway hardly knew where it was to go. It had to meet the requests of members of parliament, who wanted it to go here and wanted it to go there, with the result that it was constructed as far as McLennan Junction, about 267 miles north west of Edmonton. There it divided, and one branch went to the west on the north side of the Peace river to what is known as Hines Creek, where it ended up in the woods. It could not possibly bring results to the railway so far as traffic was concerned. The other part of the road

went on straight west from McLennan Junction. I do not believe at the time that the railway had any conception of where they were going to go, but they were being importuned by the members of parliament, and if I had been here I would likely have done the same as the members of those days did, supported the application for railway extensions into new parts of the country.

After McLennan junction you come in contact with a most peculiar situation. The railway, after a run of fifty miles, arrives at a place called Spirit River, and it ends there, ends nowhere, ends in the woods. When the road was projected toward Spirit River the intention was to proceed straight west, and the roadbed was built but not railed for another fifty miles toward a place called Pouce Coupe. But pressure was brought to bear on those building the road, and what happened? Today if you were travelling through that country, when you reached Spirit River you would find that the railway backs up five miles. It does not go forward; it does not even turn around; the whole train backs up to a place called Rycroft, because the pressure was excessive from the area now called Grande Prairie, a prosperous part of the country well worthy of a railway. At Rycroft the railway runs south for fifty miles, to an area quite foreign to where it had started for. Arriving at Grande Prairie, it runs northwest for approximately 100 miles to its present terminus at Dawson Creek. So every farmer and settler in that whole area is compelled to pay freight on an additional 100 miles and the railway is compelled to run its trains that extra 100 miles to Dawson Creek. How can the railways pay under those conditions?

North of Dawson Creek is the only known area which can accommodate a great new immigration settlement, which has to come, for the railways must have more traffic, and the only way they can get it is by opening up the country. There is an area where perhaps 150,000 to 200,000 more farms are available for settlement. But unless something is done, the people who settle there will be compelled, for goodness knows how long, to pay freight on that extra 100 miles and travel that extra distance. I do not blame the railways for that, but it does add to their costs and reduces their profits. But they are not to blame for those conditions. It is we here who are to blame.

Having said that, I feel that any adjustment that is to be made to relieve the railways of these extra costs should be shared by the country at large, not just by the businessmen and merchants and people who are trying to carry on there.

[Mr. MacNicol.]

Let me give another such example. Supposing Your Honour is going to Flin Flon or to Sherridon, two great mining centres in a district that is opening up and growing very rapidly. It is on the pre-Cambrian shield, with much commerce by way of mining being conducted there. What happens? You take a train to Winnipeg and go away past Dauphin and finally pass a place called Swan River. If you could only turn north from there it would be only 100 miles to The Pas, a fine city which is growing rapidly and destined to become great. It will be the centre of all that new mining area. But you cannot go straight north. You have to go away west to Hudson Bay junction. The railways had nothing to do with that. They were compelled to build that road which, like Topsy in Uncle Tom's Cabin, just "growed". Many of our railways just "growed up" without any relation to economics or traffic. That was not the fault of the railways. When you arrive at Hudson Bay junction you turn and go 100 miles northeast before you reach The Pas. In other words, you go another 100 miles out of your way.

So I am beginning to say to myself that the time has come for us to revamp the whole business associated with railways and give them a chance to live. They have not a chance under the conditions I have mentioned.

Suppose you were going to Arvida or Chicoutimi by rail, what would you have to do? First of all, you go west of Quebec city fifty miles. You go to a place called Rivière à Pierre. Then you turn to the north, and run 100 miles and come to Chambord. Then you turn to the right and run east fifty miles down to Jonquière and Arvida and Chicoutimi. It is in the lower part of that part of Quebec, Jonquière, Arvida and Chicoutimi, that the country is growing. It is a very great country, Your Honour, destined in my judgment to be a great industrial centre some day because of the cheap electricity that results from the vast plant at Shipshaw and the vast waterpower resources which are behind it. Power can be developed there far cheaper than in any other place in the world. Therefore it is destined to become a great manufacturing country and a great agricultural country because up the Peribonka river, that country which was made famous by Louis Hemon in his book "Maria Chapdelaine" will be well settled. What does it mean? Until alterations are made there, it means that for all time the thousands and thousands of people who will settle in there will be compelled to go 100 miles out of their way because the railway just "growed up". It was not the fault of the railway. It was just extended to take in those areas.

The hon. member for Cumberland (Mr. Black) was telling me yesterday—I have seen it myself; I knew something of it—that when the railway was being built on Cape Breton island there was a big debate in parliament on where they would run the railway from Mulgrave to Sydney. A great battle took place between those who wanted the railway to run in the centre of the island—I am not making any comment as to where it should have been run—or along the shore. It meant a distance of close to thirty-five or forty miles extra, via the centre route. Because of that, the fine city of Sydney, the coal mines and the steel plants there, have for years and years been compelled to ship their coal and steel forty miles farther than it was necessary for them to do. How can they compete against the world, as they have to do, when they have to go away out of their way? Not only that, but when you drive on the main line again you find that the railway is not where it should have been. It is not the fault of the railways. They were compelled to do things. Therefore, sir, I say that, not the maritime provinces, not the west, not Manitoba, but the whole of Canada must assume the burden of revamping the railways so that they will be in a position to carry freight at a lower rate.

I am not advocating the lower rate today. According to the board, the rates are too low. I accept the judgment of the board of transport commissioners. The minister said that one of two things would have to take place: either the railways would have to have a higher rate, or amalgamation of the two railways would have to take place. That has been advocated by some. I do not think it has ever been advocated by anyone who really understood the problem. Personally I could not support amalgamation of the railways. I am strongly in favour of the two railways. One is in opposition to the other, and each one meets the other and tries to do a better job.

If what the minister said is true we must choose one of two alternatives; either the rates must be higher, or we must accept amalgamation. Therefore it comes down to only one alternative, namely, higher rates. Having been in big business for many years, and having a keen conception of what freight rates mean to business, I say that increased freight rates at the present time would work a very great hardship on the maritime provinces—they are just trying to pull themselves together—and to British Columbia, also.

Therefore the problem is, what can we do? Something must be done. It is a problem to solve what can be done, because what the railways want is much more freight. If they had two or three times the amount of freight they now have, even with the present rates, they would have a lot more revenue, perhaps enough to carry on. I do not know; it is not for me to say. But one thing is certain. They must have a lot more freight. They cannot get more freight by throttling business by higher rates in the maritime provinces. The maritime members have been saying what it would mean to their business to have higher freight rates, and I presume they are right. The British Columbia members in all parts of the house have said the same thing that increased freight rates would throttle their business which is struggling to go forward. I am inclined to agree with the members from the east and the west in that regard.

What can be done? That is the problem. We all admit that we must have the two railways. We all admit that the existing railways must have more revenue. There are only two ways in which they can get it, from an increased amount of freight or from higher freight rates. At the moment it is out of the question for them to get much more freight. I am going to submit a program which will result in much more freight, but it could not be worked out in a short time. Therefore I am going to suggest to the minister—it may be too late; I do not know whether it can be done now or not—to consider not putting into operation the new freight rates for some time. What would it matter if they were not put into operation for a year, provided that the government of this country, which I will support to do this, accept the deficits on each road resulting from the lack of the increased freight rates. That may not be possible. If that were acceptable— .

Mr. CHEVRIER: It is possible, but it is a tremendous amount. It is against the policy of the government.

Mr. MacNICOL: The minister is a bright young man, and I am sure he would like to give the suggestion some consideration. In any event, that is all I can say. I suggest that he abandon the increased rates on the condition that the country accept the deficit of these two roads. It is only fair that the country should do that until such time as the whole matter can be threshed out, which will be quite a problem. I know what the minister is up against. It will be quite a problem to face the premiers of the seven provinces.

Since I come from Ontario, I wish to put myself square with the country. As a citizen of Ontario I am willing to do whatever I possibly can to help both the east and the west, and that is the only way we can overcome the difficulty. Since I am an Ontario

member and a taxpayer, I would be willing to pay my part; I am sure the people of Ontario would be willing to pay their part, and I would think the people of Quebec would be willing to pay part of the cost to provide for the deficits of the two roads until the whole matter could be studied again. I am as satisfied as I am standing here that the whole railway problem must be studied again. I do not think it is right that the railways should be compelled forever to be up against what they have been in the past, and make these endless journeys and endless additional costs without reason, to do business in parts of the country.

The minister may not agree with what I am now going to say. I am going to ask him to reconsider the building of a bridge over the strait of Canso. I was a member of the reconstruction committee two or three years ago. I heard engineers of both the roads, I believe—if it was not of both roads it was the engineers of the Canadian National Railways—tell the committee that a bridge across the strait of Canso would save the railroads a million dollars a year. If that is so—I am not going to say whether it is or not; the minister would know much better than I do, because he is in a position to know, with those who are behind him advising him who should know—then it is up to the government of Canada to build a bridge across the strait of Canso without cost to Nova Scotia, New Brunswick or the railways. By this means the railways would get business and we would get the money all back again. The steel would all be made there and it would be a splendid thing for the city of Sydney to be able to produce that million tons of steel. A great deal of work would result in that part of the country, and heaven knows the people there need it. I offer that suggestion as one which in my opinion the minister should seriously consider.

I have made extensive surveys of bridges. I know there are half a dozen going up across the Mississippi; at St. Louis and at San Francisco they have constructed two gigantic bridges costing roughly $150 million each. That program has been carried out in the last few years, and there are now projected at San Francisco two more bridges at a cost of $200 million each. The people in the United States have done this because the bridges that have been built have proved to be wonderful dividend producers.

I suggest to the minister that he should not hesitate to put into effect a program which would enable the Canadian National to carry out such an undertaking as I have described. It would be an investment that would return dividends, because certainly the building of a bridge across the strait of Canso would be one means whereby the yearly deficit could be cut down, to the extent of one million.

There is another suggestion I have to offer. I have been across the prairies many times, and it is my judgment that the western provinces have never had a square deal, nor have they had the chance of securing a square deal. It is not that they have not tried hard to get it. The railroads running through the prairies for perhaps a thousand miles pass through half a dozen communities, at most ten communities of any size producing freight. They carry wheat to the east, with very little freight going back, and the result is that the railway companies are faced with a colossal expenditure. This is not fair to these companies.

We must try to solve the problem that faces us in that respect. How are we to solve it? We should do the same for the west as for the maritimes—expand their industrial activities, both primary and secondary. So far as the west is concerned, I read only today that it may be ten years before the dam is constructed across the Saskatchewan river at Riverhurst or somewhere in that vicinity. If it were in my charge to build a dam across the Saskatchewan river, I would do it in a great deal less than ten years.

I have had a good deal to do with many dams, and in my judgment that is one thing which has to be done if we are to give the west a chance to produce freight. They are producing too little today in that part of Canada, not because of any inherent inability on their part. It is not their fault, because they cannot produce without water. The water is there simply flowing into Hudson bay to make more ice.

If the increased rate of 21 per cent across the board were left off for some time, it would give the country an opportunity to get together and solve this gigantic railway problem, which must be solved in any event, because we cannot go on forever having an application every few years for increased freight rates. Let us have the problem settled once for all. I have suggested one or two ways in which it might be helped.

I do not want to take up much more time because I know the house is anxious to get the vote, but I have one or two more suggestions to offer the minister. He is a bright man, as I said to my deskmate yesterday. I should not like to say that he is the brightest on the government side but I spoke very highly of him to

my deskmate, and as one who is a good deal older than the minister, and who has been in big business and has seen many big business problems solved, I wish to make a suggestion or two to him. I have seen a small plant grow from the stage at which it engaged very few men until it became a large organization, and this was the result of careful business operation.

I would say, if I were in the minister's place, that this problem ought to be solved not so much from the point of view of raising freight rates as by means of the rehabilitation of the railways themselves, by doing that which will give them the chance that they have not had of increasing their freight carriage. And I would do this by opening up the country so as to produce more freight. One has only to travel in order to see the results that follow from such a program. One has only to consider such a railway as the Chicago-Burlington-Quincy, which runs up the valley of the Platte river, passing through forty towns and cities, all rich and thriving communities. That resulted from the rehabilitation of that area. We have distances two or three times greater in western Canada, and we might have not forty or fifty but sixty new cities and towns which would all produce so much more freight.

That is one of the requisites of our railways. We must produce more freight, and how can the railways get more freight unless we open up the country, build new communities and expand our manufactures? In this connection, I may say that on some other occasion I shall submit for the maritimes a program which, if carried out, will double the population of that part of Canada in a period of fifteen or twenty years. That would mean a great deal more business for the railways.

These remarks I have made tonight have been offered in the friendliest spirit without any intention of criticizing. I simply wish to have the minister take into consideration the necessary means of increasing the freight potential along our railways and reducing the cost of operation by eliminating long nuisance hauls that get us nowhere. If he would do that it would be all to the good of the country.

As an Ontario man, I think I can speak for the people of this province when I say that in a sense we really live through the co-operation of other parts of the country. There is in Toronto a population of nearly one million, and the men and women in that city are engaged in the production of commodities, the raw materials of which come from outside the city. There is nothing in Toronto from which we can make the things we produce there. We import them into the city and our people convert them into finished goods. Such a program as I have suggested would mean increased returns for us. It would develop other parts of the country and it would mean more freight for the railways.

That, I suggest, would be a good deal sounder than a large increase in freight rates. I am not saying that it is not necessary to have more freight revenue at the moment. How it will be done I do not know. I am not advocating higher rates. I am advocating the other program of building up the country and bringing in more people and making more freight.

Earlier in my remarks I referred to the country north of Peace River. I have been through that country, hundreds of miles of it, and it was not easy travelling. Sometimes I went on horseback; much of my travelling was on foot. It is a wonderful country. I would call it the last place in the world for Anglo-Saxons, French-Canadians and people of our stock to settle in. But I am sure you could settle two million people there if you provided the facilities, and that would mean a great deal of freight for the railways. That is what they want—more business and more revenue through increased business. If they had more business they would not have to come here every few years for increased freight rates. My last word will be this: High freight rates will throttle instead of encourage business.

Mr. BENOIT MICHAUD (Restigouche-Madawaska): Mr. Speaker, I need not apologize for taking part in this debate. I may say that I was particularly prompted to do so yesterday when I heard the hon. member for Royal (Mr. Brooks) throw out a challenge to the maritime members, particularly those from New Brunswick, sitting on this side of the house. Lest my silence be improperly interpreted, I think I had better state clearly what my stand is in this important matter. It would not be the first time that New Brunswick newspapers and politicians criticized Liberal members of this province for their silence in some of the debates in this house. In the past, however, matters were so trivial that they could be laughed at. This time I consider the subject a serious one; hence my remarks.

Before dealing with the challenge issued by the hon. member for Royal, perhaps I had better read what he said yesterday. As reported at page 2963 of *Hansard* of April 14, he said:

> I appeal to these members of the House of Commons to stand up and support what they consider to be in the best interests of the maritime provinces. I do not think these men were enthusiastic before they attended their caucus the other day.

Then the hon. member for Souris (Mr. Ross), with his usual timely interruption, had this to say:

Mr. Ross (Souris): They always swallow themselves.

Then the hon. member for Royal continued:

Mr. Brooks: I should like to know what happened in the caucus.

And then he went on along that line. I wish to take issue with this reference by opposition members to a change or so-called change of attitude on the part of Liberal members following this caucus. They surmised—and as usual they are wrong—that the boys had been told to fall into line. It is no wonder that members of the opposition come to that conclusion and openly express it. That is obviously the way things are run in their own caucus—

Some hon. MEMBERS: Oh, oh.

Mr. MICHAUD: —and they cannot conceive of a party discipline different from their own. Let me tell these wishful thinkers that once again they are all wrong and that their vicious insinuations are without any foundation whatever.

I am sorry that I cannot hear the interruptions from that far corner of the house.

Mr. CARDIFF: Speak about something you know about.

Mr. MICHAUD: I do not believe they add any great contribution to the debate, in any event. If we look at this aspect of the situation from an unbiased point of view, what ground is there for opposition members to make these unfair insinuations? What ground is there for any member on the other side of the house to insinuate that the boys were told to fall into line? Has there been a single member on this side of the house who, at any time in the course of the debate, intimated that he might vote for that far-fetched motion of non-confidence? I have listened to or read most of the speeches, and I am unable to find any statements made on this side of the house which would warrant the belief by anybody on the other side that any member on this side could possibly fall for such an awkward and deceptive trick as this non-confidence motion.

Mr. McCULLOUGH (Assiniboia): Particularly awkward.

Mr. MICHAUD: On the other hand, I am not greatly surprised that some members of the opposition resort to such tactics. They must try in some way to camouflage their utter lack of serious arguments to defend this amendment, which is just as much out of place on the present motion to go into supply as it would have been before the Easter recess. There is no more foundation for this amendment today than there would have been three or four weeks ago.

Like many of the other criticisms of the opposition that have been levelled at the government, this one is bound to have a short spell of popularity. When we came to the house last December, the government was indicted by the opposition on several counts. Foremost of all was the failure to devaluate the Canadian dollar. We have not heard so much about this of late, and I do not believe we are likely to hear very much more, following this report of the Bank of Nova Scotia, which report originated in Toronto, and which, I believe, gave the *coup de grace* to that much vaunted panacea of devaluation.

Mr. SMITH (Calgary West): The hon. member is reading from the wrong speech.

Mr. MICHAUD: Then there was the count as to the removal of the subsidies on coarse grains. We heard about it for weeks and weeks. I imagine that it is fairly well worn out by now, and that we are not likely to hear about it any more. The situation is fairly well under control. There are other subjects of criticism which have passed into oblivion so rapidly that, when one comes to think of it, he wonders how it comes about that subjects of criticism of that kind should be of short duration. This one with regard to freight rates will also wear out, and I dare say it will do so quite rapidly.

Mr. PROBE: You hope.

Mr. MICHAUD: The government has been criticized—

Mr. BRYCE: Tell us about potatoes.

Mr. MICHAUD: I am sorry but I missed the interruption of the hon. gentleman. I do not believe, however, that it adds a great deal to the debate. This afternoon the hon. member for Muskoka-Ontario (Mr. Macdonnell) accused this government of neglect, of allowing this situation to develop with regard to the railways. But unfortunately he did not point out wherein the neglect lay or how it came about that the government allowed this situation to develop. The government does not interfere with the running of the railways. I fail entirely to understand just what he means by that; and, in view of the fact that he did not care to go into detail, I dare say that possibly he himself is not quite sure just what he means by making those attacks on the government.

Mr. SMITH (Calgary West): He thought you could understand the object, but apparently you can not.

Mr. COTE (Matapedia-Matane): He was presumptuous.

Mr. MICHAUD: Unfortunately we are not all endowed with the same amount of intelligence and ability as some hon. members on the other side of the house think they are endowed with.

Mr. SMITH (Calgary West): Thanks for the compliment.

Mr. MICHAUD: Let us come now to the challenge of the hon. member for Royal. I wish to tell him and all other hon. members that I am not afraid to take a stand on this question. As a matter of fact, I had made plans to go away yesterday; but for fear that I might be accused by some of our good friends across the way of running away and dodging the issue, I decided to stay here until the matter is finally disposed of.

Mr. BRYCE: Face the music.

Mr. MICHAUD: There would be no advantage in my repeating some of the arguments which were presented so ably by the Minister of Transport (Mr. Chevrier) the other day. I should like, however, to say just one word as to the utter futility and inopportunity of this debate under present circumstances. To my knowledge, nobody in this house has denied that the railways need the extra money in order to carry on and grant promised increases of wages to their employees. I am not aware either that any objection has been taken to the recent decision of the government to require the board of transport commissioners to make a thorough investigation into the rate structure. As a matter of fact the hon. member for Royal, when questioned by the Minister of Transport, admitted that both steps were justified.

If the complaints of the maritime and the western provinces in regard to freight rates are justified, as I believe they are, this is solely on the basis that, because of numerous considerations which have been placed before the house repeatedly during the course of this debate, historical and economic considerations, they should have lower freight rates than the central provinces. In my opinion that is the problem in a nutshell. That principle was recognized some twenty years ago as far as the maritime provinces are concerned. At that time the Duncan commission recommended lower preferential freight rates for the maritimes, and in 1927 those recommendations were implemented by means of the Maritime Freight Rates Act, which established rates 20 per cent below standard on the bulk of the traffic. This preferential rate has endured for more than twenty years. Whether or not it is still equitable under present circumstances, I am not in a position to say. I would venture to suggest, however, that it is no longer equitable, and that the preferential should be increased to at least 30 per cent below standard. If that were done, according to my calculation the recent increase would amount to only about five per cent as far as the maritime provinces are concerned, and I presume there would be no particular objection to such an increase.

Let me repeat that in my opinion the only consistent attitude for maritime members to take on this matter of freight rates is to press for a further reduction under the Maritime Freight Rates Act. This should be done by way of amendment to the act, not through this ill-timed non-confidence motion. What bothers me with respect to the criticism of the hon. member for Royal is the fact that the situation of which he complains is not a recent development. The hon. member has been in this house since 1935; as a matter of fact he was the only Conservative member returned from the maritime provinces in that election. Not having been here as long as the hon. member, I do not know what if anything he has said or done in the past on the floor of the house with regard to having maritime freight rates further reduced. This argument applies also to the other opposition members from the maritime provinces, though not to the same extent since they have not been here so long. However I do not recall any great pressure being exerted since 1945 by those hon. members with a view to having freight rates in the maritime provinces further reduced.

This afternoon the hon. member for Charlotte (Mr. Stuart) made an interesting suggestion, to the effect that manufacturers throughout Canada should sell their products at a uniform price delivered to the consumer in any part of Canada. He pointed out that this is being done now by some industries in the maritime provinces. I wonder how many of our good friends from Ontario, particularly on the other side of the house, would do something to promote this suggestion. I dare not venture an opinion as to the extent to which it might be practicable. Possibly it might be adopted in reference to commodities in which the freight rate bears a low ratio to the value; but if it came to coal and lumber and steel I doubt very much whether the suggestion could be carried out.

In any event, if there are grievances in the maritime provinces, as I believe there are,

I repeat that the solution is a further reduction of freight rates in the maritime provinces. In my opinion it would be the quintessence of irresponsibility for a government to interfere with the judgment of a judicial body set up some forty years ago, with which thus far no government has dared interfere. There would be no more justification for the government to interfere with a judgment of the board of transport commissioners than there would be for it to interfere with a judgment of the Supreme Court of Canada.

For these reasons, Mr. Speaker, I shall have no hesitation in voting against both the amendment and the subamendment.

Mr. E. G. McCULLOUGH (Assiniboia): Mr. Speaker, I rise to add my voice to those who have spoken in opposition to the imposition of a 21 per cent increase in freight rates. I was astounded to hear the decision of the transport board to allow this increase, but I was even more than astounded when I learned the government intended to disregard the request of seven premiers that the federal government stay the order of the board for thirty days until they could make their representations. I feel that this was a betrayal of the democratic principles of this country. At this time, when we are trying to promote peace and unanimity across this country, I think it was poor judgment on the part of the government to permit an action of this kind which imposes real injustices and inequalities upon certain sections of the country. The increased freight rates will make it necessary for many of our labouring people to demand new wage increases, because British Columbia, the three prairie provinces and indeed the maritime provinces will all find the cost of living going up, due, both directly and indirectly, to these new freight rates.

I do not say that there should not be a thorough investigation into the question of freight rates, or that the railway companies are not justified in asking for a revision of rates if they are in any danger of becoming insolvent. The hon. member for Restigouche-Madawaska (Mr. Michaud) stated a few moments ago that he did not consider this debate timely. I quite agree that for some hon. members it is not timely, and indeed is embarrassing, but I believe the leader of this group has done the people of Canada a real service in bringing about a debate in this house on the action of the government in upholding the decision of the transport board to increase freight rates by 21 per cent.

In view of what the hon. member for Restigouche-Madawaska has said, I should like to quote the amendment which is under discussion today. The amendment moved by the leader of this group (Mr. Coldwell) is as follows:

> That all the words after the word "that" to the end of the question be deleted and the following be substituted therefor:
>
> "this house is of the opinion that the failure of the government to defer the imposition of the increases in freight rates recently authorized by the board of transport commissioners is inimical to the best interests of the people of Canada; further this house is of the opinion that the government should reconsider this matter and take action to prevent the proposed increases from coming into effect at this time."

Later on, the official opposition moved a further amendment which is quite in keeping with my own sentiments and which reads as follows:

> That all the words after "this house" in the fourth line of the amendment be deleted, and that the following be substituted instead thereof:
>
> "regrets the government's failure to secure the removal of inequalities and discriminations in the Canadian railway freight rates structure before the imposition of a horizontal increase of twenty-one per cent—an increase which is bound to intensify the aforesaid inequalities and discriminations, and
>
> Further regrets that the government has refused the reasonable request of seven provinces that the imposition of increased freight rates recently authorized by the board of transport commissioners be delayed for thirty days until they could be heard."

I think that is a reasonable request. We should have democracy in this country because that is what we fought two wars for. It is what we have been trying to build up in this country. Before this we have had the premiers of the different provinces coming to Ottawa to attend dominion-provincial conferences and attempt to bridge any gaps which there might be in our Canadian way of life. They have tried to come to agreement with the federal government, so that details of the British North America Act and other constitutional enactments might be threshed out in a democratic way and bring harmony to this country. But here we have action on the part of the government which has aroused anger from coast to coast. As long as I have been in politics I have never known of an issue which has so much aroused the people of my province.

We are not in disagreement with the right of the railroads to demand an increase if they need it, but I want to say first that the whole freight rate structure should have been thoroughly investigated. If further revenue were needed, then it should have been granted on a basis that was fair and equitable across the country. I should like to quote

the statement made by Mr. Macdonald in his submission to the transport board. Referring to the revenue of the Canadian Pacific, he said:

> The Canadian Pacific railway is thus, on our contention, in a position to pay all of its dividends, all its fixed charges and provide all of the $15·2 million for additions and betterments, and leave a surplus of almost $10 million.

I listened with great interest to the Minister of Transport (Mr. Chevrier) when he spoke the other day. I thought he was going to give the whole railroad picture, but in my opinion he failed to tell the house one of the most important things. He said nothing about the profits and the surpluses set aside by the companies to provide for the betterments referred to in their submissions.

I agree with the Minister of Transport when he says that we need able men on the transport board if we are to have a proper investigation, but I feel that it does not take great intelligence to realize that, when injustice and inequality already exist in the freight rate structure, by imposing a further horizontal increase on those existing inequalities you simply increase the burden on a large number of people. I know I speak for the farmers and people of Saskatchewan when I say that all we want is fairness and justice. I do not think that is any more than a democratic institution should give to the people.

The cost of living is increasing all across the country. The veteran who is trying to rehabilitate himself finds it more difficult to get along. There have been further increases brought about by the new rate schedule. We find that on the off-lines the new schedules will apply. It will be only on the transcontinental lines that there will not be any increase in freight rates. Next we find that the minimum weight will be 100 pounds. For example, the cost of shipping a crate of eggs will be increased from 35 to 75 cents. This will decrease the income of the women on our farms who have been shipping eggs and milk and cream.

I have listed what I believe are eight important aspects of this situation which affect the western farmer. It should be understood that the western farmers are the greatest consumers of manufactured products in Canada, particularly farm machinery. The special committee on farm machinery which sat in 1937 found that there was a great backlog of demand for farm machinery in western Canada. During the hungry thirties few farmers were able to buy farm machinery and a backlog of about $50,000,000 of demand was built up. Then during the six years of war with large quantities of steel going into war equipment the farmers found themselves still unable to get farm machinery.

I think this is an instance where a large company has influenced the transport board and the government in order unjustly to impose a situation upon the farmers. The demand for farm machinery in western Canada has now reached a total of from $60,000,000 to $70,000,000 a year. These increased rates will mean a tremendously increased cost, and I have calculated what this additional cost will mean to the western farmer.

If we estimate the annual requirements at from $60,000,000 to $75,000,000, plus $15,000,000 for necessary replacement parts, this gives a total of from $75,000,000 to $90,000,000. According to the 1937 special committee, 7·4 per cent of the cost of farm machinery is made up of freight. That would mean about $5.55 million each year. If we estimate the freight from distribution centres like Regina to the local points as being one-third of the freight from the factory to the distribution point, we find that the additional cost will be from $1.85 million to $2.22 million. The 21 per cent increase in freight rates will cost the western farmer in connection with his machinery requirements an additional $1.55 million to $1.86 million a year. That is a tremendous amount of money. Here we have the farmers who are operating on a flexible income which has no stability at all put in the position where it is difficult for them to determine when they buy machinery whether their income next year will be sufficient to allow them to pay for it.

The representations made by the railway companies were based to a large extent on the revenue which they expect to get in the future, and it is interesting to note in that connection just what the Canadian Pacific Railway Company did submit to the board. In their submission the Canadian Pacific Railway Company said that their revenue in 1947 would be about $285·4 million. Actually it turns out that their gross earnings that year were $318·6 million, or an additional $34 million. This shows that the Canadian Pacific Railway Company is in a very liquid position, after allowing for fixed charges, income tax, dividends, additions and betterments, and reserves. Again we find a net increase in 1947 over 1946 of $2·1 million. In other words, the net income of the Canadian Pacific Railway Company increased from $20·8 million in 1946 to $22·9 million in 1947.

I consider that the federal government has given the seven provincial premiers who have tried to co-operate with this government a slap in the face. All I am asking is that the government rescind its action and stay the application of these increased freight rates until it

has heard the representations of the provincial governments. That would lead to co-operation between the provinces and between the people of Canada. If the railways need additional income to pay decent wages to their employees, let them have it on the basis of equality of rates all across this country. We have already had enough of situations that would break the east away from the west and the west away from the east. Let us now try to build for unanimity and co-operation across this country. If there is a single thing that will cause fresh labour disputes and demands for increased wages and make it more difficult for the veteran and the farmer and all of us to go ahead in this peacetime economy, it is this very action. I think the government was very ill-advised in taking the action which it did.

Mr. D. KING HAZEN (Saint John-Albert): Mr. Speaker, the people of the constituency I have the honour to represent in this house, like the people in every part of the maritime provinces, have been seriously perturbed by the judgment of the board of transport commissioners granting the railways a 21 per cent horizontal increase in their freight rate structure. It is for this reason I want to say a word or two in this debate.

I do not think any useful purpose would be served by my referring to and setting forth again the protests that were made by the premiers of New Brunswick, Nova Scotia and Prince Edward Island, all of whom are, I might say, supporters of the Liberal government. Nor do I think it would be of any advantage for me to take up the time of the house by reading the protests that were made by the maritime transportation commission, by the maritime board of trade, by other organizations and by the press of the maritime provinces. All those protests have been brought forcefully to the attention of the minister and the government and to repeat them again at this stage of the debate would be merely a waste of time.

I should like to preface what I have to say by quoting from the report of the royal commission on dominion-provincial relations, known as the Rowell-Sirois report, which was made on May 3, 1940. At page 91, volume II of that report, the commission says:

> New Brunswick shares with Nova Scotia the unhappy distinction of the longest unfavourable economic history of any Canadian province. The inferior character of many of the province's resources, and transportation and marketing difficulties, have retarded economic progress and created chronically impoverished areas and distressed industries.

This is not a happy or a wholesome picture or a condition that we would like to see continue. The maritime provinces complain that, compared with other Canadian provinces, they have a lower standard of living, a higher cost of production and higher marketing costs, and that these unfavourable conditions under which we have laboured have been made worse by the decision of the board which was handed down on March 20, last. In this connection I should like to quote, and to make his words my own, what was said by the hon. member for Queens-Lunenburg (Mr. Winters) in this debate yesterday afternoon. He said, as reported at page 2920 of *Hansard*:

> There is no question that the increase in freight rates will be a severe and adverse blow to the maritime provinces as well as to the west. Even at the old rates it was almost impossible for our industries to put their products on central Canadian markets at competitive prices. To be in a competing position, it was necessary not only to aim at wages more moderate than those prevailing elsewhere but to keep our other manufacturing costs down. What small measure of success we have had indicates that we have achieved both these aims to some extent. Now, however, the higher freight rates place another obstacle in our path. They will tend to make us live within ourselves in an industrial sense more than ever before.

I have no hesitation in saying that the railways of this country must have an increased revenue if they are to carry on. There is no question in my mind as to the need for this being done. I do not intend to give the reasons I hold for having that opinion. These reasons have been given in the house on a number of occasions during this debate. It is not the increase in revenue but the manner in which the board has decided that these revenues are to be obtained to which objection is taken in the maritime provinces.

A memorandum of the maritime transportation commission on the judgment of the board of transport commissioners states that the board found a straight percentage increase is the only manner by which general increases can be applied. If that is a fact, then I say it is a most unfortunate state of affairs in the maritime provinces.

I wish to say a word or two about the plan of the government to have the board investigate the freight rate structure of the railways. I was surprised at a statement made by the Minister of Transport (Mr. Chevrier) in this house on April 13 during the course of his speech. He said, as reported at page 2908 of *Hansard*:

> This is a motion to go into supply, and my hon. friend has decided to move an amendment to the motion in order to expound a grievance, something which he has a perfect right to do. But I submit that before that grievance was expounded the government had made the grievance disappear by ordering a thorough and complete investigation into the railway freight struc-

ture by the only board competent and efficient to deal with the question. The government has moved to have the situation righted by this investigation.

If we can make grievances disappear by referring them to any board, then this country would be a country very easy to govern and it would be a happy land in which to live. But, sir, the only way to deal with a grievance is to face it, and the only way that a grievance can be rectified is to solve it. To refer a matter to a commission and think you will solve the grievances of the maritimes or the west or of any other province in that way seems to me to be utter nonsense. The order in council provides for an investigation of freight rates by the board, and it reads as follows:

Order in council P.C. 1487, approved April 7, 1948: directing the Board of Transport Commissioners for Canada to make a thorough investigation of the rates structure of railways and railway companies which are under the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities in the various provinces and territories of Canada.

I must confess that when I read that order in council I was puzzled by it. I failed to understand what it meant, or what powers the board was given under it. I believe now, after making a hurried examination—and that is all I had time for—of the Railway Act, that the wording has been adopted from section 314 of that statute which is headed "Equality as to Tolls" and so on.

This board is not all-powerful. Its powers are limited by the act that created it. The board, under the act, as I read it—I do not profess to be an expert in these matters, and I would ask to be corrected if I am wrong—has no power to fix rates that will assist an industry to develop and function. It has no power to fix rates that will remove handicaps under which many maritime businesses function on account of their geographical situation or distance from central markets. It has no power to fix rates that will develop business in the maritime provinces. It has no power to adopt experimental rates. Its powers are limited, and this move of the government in referring the matter to the board is, in my opinion, a political expedient to put to one side a difficulty the government does not want to face up to.

The senior member for Halifax (Mr. Isnor), when speaking in this debate yesterday, said as reported at page 2957 of *Hansard*:

I cannot help believing, however, that there has been a slip in the wording of the minister's order. In some of the judgments the board takes the view that it cannot handle questions relating to trade.

Well, sir, if there has been any slip in the order, let the minister have it corrected. In my opinion, however, there has been no slip. The wording was deliberately and carefully made, and the powers of the board are, of necessity, circumscribed.

The royal commission on maritime claims, which was headed by Sir Andrew Rae Duncan and had as one of its members Doctor Cyrus Macmillan who for some time occupied a seat in this house, made its report on September 23, 1926. In its report it refers to the limitation of the board's powers. I propose to read into the record a paragraph from this report under the heading "Scope of the railway commission's functions". I do so because I think it is a matter that should be given further study by the Minister of Transport, by his assistants and by the government. This it what the report says in part on page 24:

In addition, the cases which the maritime provinces have already submitted to the railway commission also raise the question of handicaps arising from the geographical position of their natural products, and their distance generally from central markets. If we were satisfied that under their present power the railway commission could adequately deal, on appeal, with the broader aspect of the maritime cases before them, we would make no further comment.

Previous judgments of the railway board, however, lead us to fear that they will not feel competent to deal with such broad considerations as are still involved in these maritime claims. We cite, in particular, the following extracts from the board's judgments: (volume 13, pages 260-261, application of district board of trade, Coalhurst, Alberta.)

"The board, under the railway act, has no profit and loss responsibility, and its intervention in the matter of rates must, as has been indicated, be concerned with matters falling within the categories of reasonableness and unjust discrimination, and not with a policy of the development of industries through rate adjustments.

(Imperial Rice Milling Company v. Canadian Pacific Railway Company, 14 Canadian Railway Cases, 375.)

"The board has no power to regulate tolls for the purpose of equalizing cost of production, or geographical, or climatic, or economic conditions. (British Columbia News Company v. Express Traffic Association, 14 Canadian Railway Cases, 178.)

"It is not the board's function, as delegated by parliament, to make rates to develop business, but to deal with the reasonableness of rates, either on complaint or of its own motion . . . As it has not been established that the rates as charged are unreasonable, the board is not justified in ordering the installation of the experimental rates asked for."

The report goes on:

The conclusion to be drawn from these extracts seems to us to be that the railway commission does not feel itself empowered to pass under its review, when appeals are made to it,

the same wide range of business considerations which railway companies themselves can take into account in forming a judgment as to the extent to which they should develop trade and business.

The report goes on to state:

At present the work of the railway commission is circumscribed within the two considerations, viz. (a) reasonable compensation to the carrying company, and (b) no unfair preference or unjust discrimination as between traders.

The report then refers to section 320 of the Railway Act which, it says—

. . . seems to give the wider powers that we have in mind to the railway commission, so far as the question of undue preference or unjust discrimination may be involved.

It quotes the section. I am not going to do so, but I have compared the section as set out in their report with the section as it appears in the act as it now stands, and I may say there is no change. It quotes the section and says:

Even there we feel that, if the intention was to have larger national interests in mind, the section should be made clearer, and instead of the words "in the interests of the public" (which might be interpreted as in the interests of the "consuming" public), the words should clearly state that it is national interests (both "producing" and "consuming") that are in mind.

The judgment of the board came before the maritime transportation commission in Moncton on, I believe, April 9; and after considering what the government had decided to do, the commission sent a wire to the Prime Minister (Mr. Mackenzie King) and a copy of that wire to the Minister of Transport. In that wire it said that the action of the government in referring this matter again to the board was throwing a red herring across the trail. What it had in mind, I believe, when it made that statement were the sections of the act and the powers of the board to which I have just referred.

Perhaps I might take the time of the house to say just what the wire of the maritime transportation commission to the Prime Minister stated. I do not propose to quote it all. It states that in its opinion the spirit and terms of the Maritime Freight Rates Act have been violated, and in addition to that it points out that the effect will be that maritime industry will in many cases, be seriously affected and, in some cases, destroyed. It points out that in using the word industry it refers to agricultural as well as other industries, and then it states:

We feel that the proposal to hold a general freight rates investigation is simply a red herring across the trail. In the very nature of things it will require at least two years—

[Mr. Hazen.]

The Minister of Transport told us it might take a shorter time, six months I believe, or a little longer.

—as did the general investigation of 1925 to 1927, with little or no result.

The wire goes on to say:

We feel that your government should consider the matter outside the railway act because of its economic and political implications. When we consider that seven provinces in this dominion are aligned against this decision and only two are not opposing it, due to their geographical and special locations and their advantages over the other seven provinces in mass production and protection under Canadian tariff, we think you still appreciate the very serious questions that have been raised by this issue.

I think the long and short of the matter is that once these rates are imposed, and they are now imposed, it will be very difficult to get any change. I do not wish to read again the order that sends the matter to the board of transport commissioners, but I am still puzzled and I should like the minister, when he replies, to tell us just what powers the board have, just what they can do after they have heard the matter, and what will be the effect of their decision.

Mr. CHEVRIER: I may tell the hon. member now that they have power to equalize rates but have not the power to fix prices or to realign the boundaries of the country as he would like.

Mr. HAZEN: Perhaps I might say another word or two. I will refer to the order again, order in council P.C. 1487, approved on April 7, 1948. I read it because, as I say, I do not understand it.

Mr. GRANT: That is repeating.

Mr. HAZEN: It reads:

. . . directing the board of transport commissioners for Canada to make a thorough investigation of the rate structure of the railways—

That is plain enough.

—and railway companies which are under the jurisdiction of parliament,—

I can understand that.

—with a view to the establishment of a fair and reasonable rates structure . . .

Who is going to establish the rates structure?

Mr. CHEVRIER: The board, upon evidence, I presume.

Mr. HAZEN: Will that be by the board or by the government?

Mr. CHEVRIER: It is not the business of the government to fix rates. I explained that in my remarks the other evening. Nor is it

the business of the government to equalize rates. It is the business of the board.

Mr. HAZEN: Another thing that puzzles me is this.

Mr. GRANT: Read it again.

Mr. HAZEN: The review of this judgment by the maritime transportation commission says the board found that a straight percentage increase is the only manner by which general increases can be applied. Having found this, how in the world are they to change their decision, in view of all the evidence that has been brought before them? How are they to change the decision and make any other one or devise any other method of raising revenues?

Mr. CHEVRIER: If I may answer that, because the application by the railways was one for an increase and the provinces did not appeal in regard to equalization. On the contrary, they clearly stated that they were not launching an application for equalization but that they would do that at a later date.

Mr. HAZEN: I am still puzzled by one thing, and perhaps the minister can clear this up. I have here a statement made by the Premier of New Brunswick, Hon. J. B. McNair, after the judgment was announced; and in the course of the statement he issued to the press he says:

> The maritime transportation commission, acting on behalf of the provinces of New Brunswick, Nova Scotia and Prince Edward Island made strong representations to the board that if increases were to be made in the freight rates structure such increases should not be flat or horizontal percentage rate increases but in effect should provide for lower rates on primary products. The board in its judgment has not seen fit to comply with our representations with the exception of rates on coal and coke.

How do you explain that?

Mr. L. PHILIPPE PICARD (Bellechasse): The discussion arising out of the amendment now being considered, Mr. Speaker, is most important, not only because any change in railway freight rates is bound to have a heavy repercussion on the economic structure of the country, but also because it forces upon us once more the fact of our interdependence with the United States. Because the United States were not successful in applying controls to trade and industry and because political pressure bore too heavily on the Washington administration, controls there were removed, and prices which were already on the way up, skyrocketed to unprecedented levels. Inevitably we felt the shock, because our economies are interrelated, because our importations affect so many varied lines of business, because so many Canadian goods or machines cannot be completed without the importation of some component parts from the United States. The inflation already existing in the United States rendered so difficult and so complicated the controls of prices here that government advisers decreed that we also should abandon controls. Good excuses were found: necessity to revert to democratic ways and practices; even provincial rights were invoked. The real reason was our dependence on United States economy.

The ruling of the board of transport commissioners that caused the present amendment to be introduced is in direct relation to the removal of controls and the high cost of living, and it will eventually help in raising the latter more. In a moment I will say a few words about the decision itself; but the main object of my remarks is to point out that we adopt, all of us, the attitude of the ostrich when it comes to facing the fact of our economic plight. We did it on the measures for exchange control, for United States dollar conservation, for importation restrictions. We are still doing it.

The trouble is that we have always had a dependent and subservient economy and we carry on, suffering from this condition. We are subservient to Britain and dependent on the British market and the fancies or ingratitudes of British governments, and subservient to the United States and dependent on its price structure, its inflations or depressions. It would not be half as bad if, besides the inconveniences resulting therefrom, we would benefit as much as they do on other occasions and share their prosperity and attain their per capita income.

If we all awoke and realized that stark realities are calling for leadership and courageous decisions we would spend less time in exalting parochialism, in defending east-west forced economy or the long narrow ribbon of railway siphoning goods from the centre to the extremities of the country, and we would start right away to negotiate not only a customs union but a full commercial union which would make all of America north of the Rio Grande an integrated economic unit. We might then still have many of our troubles to face, but we would also have the compensations and the broader life and more rational economy which would result from regulating our trade, not by sentiment or by so-called nationalistic pride but according to geographic, climatic and ethnical conditions.

Under our present fiscal, financial and commercial set-up, this railway problem will always be on us because, over and above the technical and economic problems inherent in

railways in other countries, we have the problem increased here by the unnatural and artificial pumping of goods across the country at great losses to everyone. But being as it is and what it is, the railway problem and our economic problems cannot in any way be cured or even helped by the two amendments now before the house. They suggest no remedies. Their result would be only to postpone a needed solution of the problem. I like far more the courage and the logic of the government's decision of not interfering with the railway board's decision.

At this point I should like to congratulate the Minister of Transport (Mr. Chevrier) upon the splendid presentation he made on Tuesday last. I do not think he has convinced us that the flat 21 per cent increase constitutes a solution with which all parts of the country should be satisfied, but he has shown the urgency of remedies to be applied, and the great need that the railways be helped at the present moment.

I may say at this point that I have admired the public spirit shown by the members on this side of the house coming from British Columbia, the prairies and the maritimes in supporting the government's attitude and at the same time presenting so well the case for their own parts of the country.

Mr. NICHOLSON: Since Tuesday.

Mr. PICARD: At all times.

Mr. NICHOLSON: No, not last week.

Mr. PICARD: So far as I am concerned, I think the decision is logical because the matter was entrusted to the board, and the latter investigated the problem at length, coming to its decision after careful study and realization of the seriousness of the situation as well as the impact the increase will have on the Canadian economy. Either the commissioners are not competent or to be trusted, in which case they should be replaced, or they are sincere and sufficiently able, in which case their decision should be accepted. I believe a government should interfere as little as possible with the decisions of specialized, semi-judicial institutions; and although it is the duty of the government to review such questions and invoke if necessary the higher motive of the defence of the public interest should any decision be manifestly unfair, I do not think it is right for a government to interfere with the findings and decisions of independent boards functioning under laws created by parliament.

I also think the decision of the government not to interfere with the ordinance or delay its application is courageous, because it is bound to be attacked and exploited by the opposition parties, who had nothing better to recommend, at a time when its results will be felt by the public. In that connection may I say that not only will the 21 per cent increase be resented by the people, but the small shippers and small manufacturers will be hurt much more than the larger ones. That will come about, not only as a result of the 21 per cent increase, but mainly because of paragraph 5 of the ordinance of March 30, which reads:

> The minimum charge for a single l.c.l. shipment between any two stations to be 100 lbs. at first-class rate but not less than 75 cents.

In plain language this means it will now cost just as much to ship orders weighing twenty-five, fifty or seventy-five pounds as it will to ship orders weighing 100 pounds. That may mean it will cost up to 150 per cent more to ship certain goods from one point in Canada to another. For instance, prior to the ordinance it cost fifty cents to ship fifty pounds of tobacco, let us say, from Quebec to Toronto, because I am told that not only are good sentiments exchanged between Toronto and Quebec but also plain goods, including tobacco. Under paragraph 5 of the judgment it will cost $1.21 to ship the same parcel to Toronto. It formerly cost fifty cents to ship a fifty-pound parcel from Quebec to Montreal, a distance of only 180 miles. Under the new arrangement it will cost eighty-two cents, or an increase of 65 per cent.

That is the part of the ordinance I dislike most, because it is most discriminatory as against the small dealers who necessarily order in smaller quantities. Either the manufacturer will pay the shipping charge and will now refuse to accept orders of less than 100 pounds, or if the dealer pays the freight he is bound to lose much of his profit on goods the prices of which are fixed nationally. This is one of the aspects of the ordinance I consider to be more discriminatory, but there is nothing we can do with the judgment as it is now, or until the new investigation is undertaken.

The railways are facing a situation that needs to be corrected. The transport board, after long and careful consideration, has rendered a decision. I repeat that in my opinion the stand taken by the government is courageous, and eventually the people will realize that during this discussion no opposition party has proposed any remedy to deal with the railway situation. Delaying application of the ordinance would be no remedy at all. No other party has told us how they would get the railways out of their present predicament in any way other than that decided by the

transport board. The stand of the opposition parties has been solely an endeavour to embarrass the government and hope for the best. I believe the membership on this side of the house, no matter how much it hates to see these new rates imposed, no matter how much it hopes discriminatory measures in our railway rate structure, especially those affecting the western provinces and the maritimes, will be removed, will understand that it is its duty to support a government that shows the courage to uphold an ordinance intended to remedy a dangerous situation. I also hope that the proposed investigation of the rates structure by the transport board may result in an arrangement of rates as satisfactory as possible to all parts and all elements of the country, despite the fact, as I stated at the outset, that our forced east-west economy shall always remain a sore spot in the economic life of this part of North America. I also believe less petty and parochial views are needed before all our economic and financial problems are adjusted.

Mr. ALISTAIR STEWART (Winnipeg North): Mr. Speaker, the other evening the hon. member for Kindersley (Mr. Jaenicke) made a case showing that in some respects the board of transport commissioners were wrong in law in the judgment they handed down. I am not going to elaborate upon his arguments; those interested may find them in *Hansard* at page 2939 and following. The argument I am going to present this evening is that the board was not only wrong in law but wrong in fact, and that in supporting the judgment of the board the government is equally in error with respect to the facts. I maintain that the Canadian Pacific Railway Company did not make any case at all before the board for an increase in freight rates. I mention the Canadian Pacific Railway Company, because in his judgment the chief commissioner states that the Canadian Pacific has been taken as a guide or measure for the establishment of the rates. That statement will be found at page 36 of the judgment, in these words:

> Upon consideration of all that has been placed before us I am of the view that this can best be accomplished by taking the requirements of the Canadian Pacific Railway Company as the guide or measure in the establishment of what we consider to be just and reasonable freight rates to be paid by the users of the railways.

Therefore tonight I am going to refer specifically and frequently to the Canadian Pacific Railway Company, its profit and loss account and its balance sheet, to establish my contention that the company did not make a case at all for any increase in freight rates. On page 6 of this judgment we find part of the submission of the railway association of Canada:

> Canadian railway companies are in the unique and perilous position that they have been operating under rigidly controlled freight rates in the face of steadily mounting costs . . .

That is quite a rhetorical statement, because I do not know what a "unique and perilous position" can be as far as the railways are concerned at this moment. But unfortunately it is only half the truth, and therefore all the more dangerous. I grant that costs have increased, in some respects considerably; but if costs have increased, revenues have increased even more. For instance, at page 11 of the judgment we find a table showing the total operating revenues of all Canadian railways. According to this table, in 1939 total operating revenues were some $367,179,095, while in 1946 they were $718,501,764, or an increase of almost 100 per cent.

The other evening in this chamber the minister fell into the same trap and only told half the story. He told us about the Canadian National Railways, and that there was an over-all increase, with respect to wages and materials, of 40·1 per cent between 1939 and 1946. He did not at the same time tell us about the total operating revenue of the Canadian National Railways, which increased in the same period by some $179,000,000 or the difference between $173,000,000 and almost $352,000,000. When those figures are placed side by side they shed a different light on the situation.

On page 7 of the judgment, paragraph 3, we find the following statement by the railway association:

> The decline in railway gross earnings which commenced to be substantial in the latter part of 1945 has progressively continued into 1946 and such decline has not nearly been matched by a corresponding decline in working expenses.

A table is given here by the commissioner, showing that to some extent there was that decline but that the decline was more than made up in 1947. It may be that the railways had reason to fear a decline in 1946, but I think the board might have taken into consideration the substantial increase in operating revenues in the following year. One of the arguments presented by the commissioner, I presume to support his judgment, is to be found on page 11. This is another table showing the total operating revenue, and I quote from the judgment:

> From the above it is noted that the monthly percentage increase in railway operating revenues in 1947 over the same period of 1946 is showing a tendency to disappear altogether.

I assume that he came to that conclusion on the basis of a comparison between November 1947 and November 1946, which showed a percentage increase in 1947 of total operating revenues of only ·98 per cent over 1946. Nevertheless, had the commissioner gone back to February of that year, he would have found that there was actually a decrease, not an increase, in 1947 over 1946 amounting to ·92 per cent. But in the ensuing months that decrease diminished and became a substantial increase amounting to 20·05 per cent in May of 1947 as compared with 1946.

Another statement which has been made is that the railroads were suffering from the effect of increased wages which had been demanded by the employees. I do not consider that to be a good argument, and I intend to use some statistics which were taken from the annual report of the Canadian Pacific and also from exhibits 22 and 116 which were presented to the commission. We find that in 1933 the gross operating revenue of the Canadian Pacific was some $114,000,000, while the wages charged as operating expenses amounted to some $58,000,000, or 51 per cent. This percentage of wages in following years was as follows:

	Per cent
1937	49
1939	47
1946	47
1947	49

I have taken the Canadian Pacific estimate of its gross operating revenue for 1947. This was given as $285 million, whereas the actual figure was some $318 million. Therefore I maintain that the percentage of wages to gross operating revenue would be somewhat lower than 49 per cent. The argument that wages are responsible for the increase in freight rates is one which is obviously not tenable.

On page 9 of the judgment the commissioner asks this question:

> Have the applicant railways made out a case of financial need for greater revenue requiring a general advance in freight rates?

He comes to the conclusion by somewhat devious logic that they have. I am going to suggest that the commissioner has altogether omitted facts and has devoted himself to fancies. On page 11 we find this interesting statement:

> A close analysis of the current operating revenues of Canadian railways indicates that lower levels may, perhaps, reasonably be expected.

[Mr. Stewart (Winnipeg North).]

He then goes on to give reasons why he thinks the current operating revenues may be lower, but I am not going to deal with them. Surely this is not a matter of fact. It is a matter of opinion, and I am going to suggest that the commissioner has come to his conclusions on the basis of his own opinions and not on the basis of facts. He is indulging in prophecy when he says that the current operating revenues "may perhaps, reasonably" be expected to be lower. Had the government wanted an opinion like that it would have been much cheaper if it had gone to a teacup reader. It would have got precisely the same answer. Surely that is no basis upon which to establish the case which has been presented to us.

Mr. GIBSON (Comox-Alberni): He may have consulted the railroad brotherhoods.

Mr. STEWART (Winnipeg North): I have no idea whether or not he consulted the railroad brotherhood, but I do know that those three words, "may, perhaps, reasonably" rather stick in my crop. I maintain that they have nothing to do with facts, and the railroad company has not made itself clear as to the losses which it expects to incur.

I should like to discuss the balance sheet position of the Canadian Pacific Railway Company. This corporation has the widest ramifications. It owns, controls or operates steamships, hotels, air lines, coal mines, communications, stockyards, towing companies, terminal elevators, express services, abattoirs, and I do not know how many other things or industries. Among other assets owned, it has some forty-five railway companies, and it controls or owns the stock in an additional twelve railway companies. With some of these companies it has leases running for as long as 999 years, while others run in perpetuity.

I should like to refer to one of these leases, because it is an interesting example of what we in the C.C.F. consider to be the working of big business. One lease is with the Ontario and Quebec railway and the amount paid to that company, which of course, is a fixed charge, amounted to $1,038,927 in 1947. The Ontario and Quebec railway was incorporated by an act of parliament in 1881. It has the line running between Toronto and Montreal.

There is outstanding share capital of 20,000 shares of which, according to the evidence submitted to the commission, the Canadian Pacific own only fifty. The Canadian Pacific own fifty shares out of 20,000, and yet every officer of the Ontario and Quebec railway is an officer of the Canadian Pacific Railway Company. As was pointed out by an officer of the Canadian Pacific, all the distribution of interest and dividends is done directly by the Canadian Pacific as the lessee.

There are 400 holdings of common stock, of which only 39 are in Canada. There is debenture stock of about £4,000,000, made up of 4,250 holdings, of which only sixteen are in Canada.

This railway in turn has a lease agreement with the Toronto, Grey and Bruce railway, and the Canadian Pacific pays the interest on the bonds of this latter railroad which is leased to the Ontario and Quebec railway. What I want to point out in connection with these fixed charges is that throughout all the years of the depression the shareholders of the Ontario and Quebec railway were getting their six per cent, while ostensibly the Canadian Pacific Railway Company could not afford to pay many of its workers the wages they were asking for. We see here protection of absentee landlordism as evidenced by the fact that only thirty-nine out of 400 holders of common stock are resident in Canada. The Canadian Pacific has refused to acknowledge the rights of those who were on strike in Winnipeg in 1919, but it pays meticulous attention to the rights of these shareholders and has looked after them carefully.

There is another matter of some interest to which I should like to refer. There appears to be utter inadequacy in its cost accounting on the part of the Canadian Pacific Railway Company. That inadequacy may be the fault of the executive. Of that I am not certain, but I know that when a witness was asked to give a breakdown of the loss of earnings by freight, passenger, mail, express, sleeping car, parlour car and dining car services, Mr. C. F. H. Carson, who was counsel for the railway association, said that it just could not be done. He said that there could not possibly be a breakdown as between those services, and yet here we have a judgment to the effect that freight and freight alone shall bear the burden of whatever extra revenue the Canadian Pacific is to get.

It is an amazing way to run a business when you cannot break down its various departments to find out which is making a profit and which is making a loss. It reminds me of the story of a serious train accident in a rural area, the only eyewitness to which was the village simpleton. Very shortly after, reporters from the newspapers landed at the scene of the accident and went to see this eyewitness and asked him what had happened. They said, "We have got to get the story for our papers." And so the old man told them, "I was sitting on the bridge over there and I seen one train come down that track at forty miles an hour and another train go up that same track at sixty miles an hour, and I thought that is a hell of a way to run a railway." But it is not very much different from what is happening in this case. We do not know where the Canadian Pacific is making this loss which it fears but which has not yet been established.

Furthermore, as regards the balance sheet, we should remember that this company, which is in such a perilous and unique position, has, since 1939, retired all its six per cent bonds; in 1943 it retired its five per cent bonds; in 1944 it retired its 4½ per cent bonds, and today it is paying an average interest rate of 2·8 per cent, whereas in 1939 the average interest paid was 4·1 per cent.

Again we find that this railway, which is in such a perilous position, has today current assets of some $144 million against current liabilities of $47 million, a ratio of nearly three to one, which I think even the member for Comox-Alberni (Mr. Gibson) will agree is a healthy situation.

When one examines the assets of the Canadian Pacific Railway Company we find that it has Dominion of Canada securities of $31,667,000, and cash amounting to $42,644,686 —an amazingly fine liquid position for a company which is in such perilous and dire straits.

Furthermore, the funded debt of this company in 1939 amounted to $228 million. It is now reduced to $75 million, or a decrease through the war years of some $153 million.

What about reserves and unadjusted credits? In 1939 reserves and unadjusted credits amounted to some $92 million. Today they amount to $380 million—a magnificent situation indeed from a balance sheet point of view.

Its profit and loss account balance in 1939 was $141 million. Today it is $279 million. What sort of nonsense is this to talk of the Canadian Pacific Railway Company being in a perilous position! Nothing could, of course, be farther from the truth. The company is better off today than it has ever been.

Let us see the situation as regards the working capital of this company:

Canadian Pacific Railway

Statement of Comparative Working Capital

Current Assets	1939	1947		Increase
Cash	$31,809,398	$ 42,644,686		$10,835,288
Dominion of Canada securities	....	31,667,000		31,667,000
Miscellaneous accounts receivable	5,120,664	17,968,071		12,847,407
Agents' and conductors' balances	6,695,339	14,741,396		8,046,057
Materials and supplies	19,389,497	36,712,903		17,323,406
	$63,014,898	$143,734,056		$80,719,158
Current Liabilities	**1939**	**1947**	**Decrease**	**Increase**
Payrolls	$ 2,889,276	$ 7,053,336	....	$ 4,164,060
Audited vouchers	5,496,276	9,284,072	....	3,787,796
Net traffic balances	226,986	4,491,862	....	4,264,876
Miscellaneous accounts payable	2,949,928	9,452,084	....	6,502,156
Accrued fixed charges	2,710,139	938,186	$ 1,771,953	....
Unmatured dividends declared	....	2,278,841	....	2,278,841
Other current liabilities	....	13,339,604	....	13,339,604
	$14,272,605	$46,837,985	$ 1,771,953	$34,337,333
Working Capital	$48,742,293	$96,896,071		

Summary

Increase in current assets	$96,896,071
Less: Increase in current liabilities	48,742,293
Increase in working capital	$48,153,778

In other words, there is an increase in current assets of $96,896,071, less an increase in current liabilities of $48,742,293, or an increase in the working capital between 1939 and 1947 of $48,153,778. Again a remarkable position for a company which is in such perilous straits.

We are told that the railway wants an increase in case it may perhaps at some unknown future date lose money. I see no reason at all for a railway company being granted the right to increase rates on the basis of a hypothesis, on the basis of an assumption, but that is precisely what has happened. The railway company is not being given an increase because it has shown need, for the railway's position today is better than it has ever been.

I should like to refer to the profit and loss position of this company, and to spare the house the reading of innumerable figures, I would ask permission, Mr. Speaker, to have printed in *Hansard* the table on page 66 of the judgment, entitled "Canadian Pacific—Restatement."

The ACTING SPEAKER (Mr. Golding): Has the hon. member consent of the house to do so?

Some hon. MEMBERS: Agreed.

Mr. STEWART (Winnipeg North): The statement is as follows:

Canadian Pacific—Restatement

Net railway operating income—without adjustments		$22,892,189
Additions:		
Deferred maintenance charged in 1947	$2,400,000	
Overstatement of Depreciation—Rolling Stock	2,000,000	
Overstatement of Depreciation—Road Property	2,000,000	6,400,000
Net Railway Operating Income—after Operating Expenses Adjustments		$29,292,189
Deduct Fixed Charges		15,787,174
Net Railway Operating Income—after Fixed Charges		$13,505,015

[Mr. Stewart (Winnipeg North).]

Canadian Pacific—Restatement—*Concluded*

Adjustment for Taxes—		
The 1947 accounts contain the following Taxes:		
Property Taxes	$ 3,800,000	
Income Taxes on Railway Earnings and Other Income	12,372,935	
Total	$16,172,935	
Add Income Tax for 1947 as above		$12,372,935
		$25,877,950
Taxable Income from Railway Operations		
Income Tax at 35 per cent		9,057,283
Net Income available for Dividends and Surplus		$16,820,667
Add Back Fixed Charges		15,787,174
Net Railway Operating Income—As Adjusted		$32,607,841
Requirements		(1) 52,332,174
Deficiency in Revenue		$19,724,333

Note—(1) Made up as follows:—
Dividends, $21,310,000,Fixed Charges, $15,787,174, Allowance for Surplus, $15,235,000, making a total of $52,332,174.

That statement shows the Canadian Pacific's net operating income, after adjustments made by the board of transport commissioners. We are told that the net railway operating income, as shown by the Canadian Pacific Railway Company, is $22,892,189. Then the commissioners proceed to add back, and rightly so, certain charges amounting to $6,400,000, arriving at a subtotal of $29,292,189. They deduct for the time being fixed charges, which are added back later. There is also deducted the entire income tax which the Canadian Pacific Railway Company has charged against operation, and the figure arrived at is $25,877,950, on which the board proceeds to compute the income tax. That is an extraordinary situation indeed, where we have income tax accepted as a charge against the operations of any concern. I should like to know what the Minister of National Revenue (Mr. McCann) thinks of such behaviour. Certainly I know that no business in this country would be entitled to charge income tax against profit and loss account as a charge against the business of the year; but on page 22 of the judgment the commissioner states:

> Income tax payable in respect to railway operating income is, I think, properly chargeable to railway operating expenses.

It is a good thing the commissioner said "I think", because obviously from the point of view of business practice it is entirely and completely wrong. Income tax is an appropriation of profits, neither more nor less, and has nothing at all to do with the running expenses of the business. However, it has been added back here, and I shall amend it myself later. The fixed charges are also added back, leaving a net railway operating income as adjusted, in the mind of the commissioner, at $32,607,841. I maintain that that figure is utterly and completely fallacious.

If that is the basis for the board's action and the government's action, then it is time to reconsider the position. I am going to suggest that there be added back to that figure the $9,057,283 charged for income tax, which would then bring the net railway operating income up to $41,665,124. I am also going to suggest that the "other income" of this railway company be added back in its financial statement, that is "other income" of $24,788,927. When that is rightly and correctly added back we find that the profit position of the Canadian Pacific Railway should be not this $32,000,000 for 1947 envisaged by the board of transport commissioners but $66,454,051.

Let us consider that amount in view of what the board considers to be the requirements of the Canadian Pacific Railway Company. The requirements, as estimated by the board, are $52,332,174. On the basis of my argument, which I maintain is right in law and in logic, the railway company has a surplus then of over $14,000,000. But let us consider how this $52,000,000 is made up. Dividends amount to $21,310,000; fixed charges, $15,787,174; allowances for surplus, whatever this may be, $15,235,000, or a total of $52,332,174.

Let us now see what the chairman of the board of transport commissioners has to say, on page 26 of the judgment, about this surplus:

> The question should, I think, be approached from the point of view of whether or not the

railways are entitled to earn a reasonable surplus over and above fixed charges and dividends and not as to whether provision should be made for a sum to cover specifically additions and betterments. The amount which a railway may consider expedient to expend on additions and betterments may vary substantially in different years.

Of course it may. But what is the effect of this $15,000,000 when added to the requirements of the company? It is simply that an amount equivalent to practically 70 per cent of the dividends is to be credited to profit and loss account, and this may be paid out in some future year as dividends whenever the financial position permits. In other words, what the chairman of the board suggests is that the dividends of the ordinary Canadian Pacific stock should not be five per cent but eight or nine or even ten per cent.

I agree that it is reasonable that some surplus should be appropriated for balance sheet purposes, but I think $15,000,000 is out of the question entirely. A more reasonable amount would, of course, be $5,000,000, in which case the argument of the board of transport commissioners again suffers somewhat, because the requirements of the railway are not $52,000,000 but $42,000,000, and it then has a surplus over these requirements of some $24,000,000.

It has been argued that this $15,000,000 should be used for betterments of the railway and capital improvements. That, I maintain again, is a fallacious argument. This amount is being credited to profit and loss account, no matter how the funds are used. Nevertheless the amount will always be available for distribution as dividends. Whenever the directors of the company think the company needs money for capital improvements, let them go out on the open market and borrow the money for that purpose. As a matter of fact, from the figures I have already submitted on the reserves—and I repeat them again, reserves and unadjusted credits were $91,000,000 in 1939, and are $380 million today—the Canadian Pacific Railway Company has lots of surplus fat on which it can live for some time to come.

On this question of "other income" which seems to have perplexed the board of transport commissioners, they saw no reason for adding "other income" to the entire income of the corporation. Surely the board must have forgotten that much of the income which goes under the name of "other income" was derived from gifts and presents of the people of Canada to the same railway system. For instance, in British Columbia—the hon. member for Comox-Alberni (Mr. Gibson) may be interested in this; I expect he knows it—when the Canadian Pacific railway was built in that province, over $100 million was paid to it in cold cash plus about twenty miles of land on either side of the railway all through the province. That gift is today returning handsome dividends; yet the commissioners refused to credit the revenue from this gift to railway operations.

[Mr. Stewart (Winnipeg North).]

Then again the company has invested money in various operations. The money that has been invested has certainly been taken from the operations of the company, from the surplus earnings of the company, and therefore any earnings from such investment should be credited to the operations of the company.

We have, for instance, the case of the Consolidated Mining and Smelting Company. I have no doubt that the Canadian Pacific Railway Company purchased shares in the Consolidated Mining and Smelting Company for the purpose of facilitating control of freight traffic. It has paid them handsomely from the point of view of their traffic receipts. This stock is in the books of the Canadian Pacific Railway Company at $8,412,500. Its market value today is about $150 million. Where is this perilous position which the Canadian Pacific Railway finds itself in with all these hidden reserves tucked away?

What about the hotels? Does the board of transport commissioners intend to argue that hotels are not part of the railway business, in view of the fact that the Canadian Pacific Railway Company itself has argued before two courts in this country that legislation affecting hotels is railway legislation? The company cannot have it both ways. Either it is railway business or it is not. If it is railway business then, of course, the proceeds should go into the general fund, as indeed they do. I maintain that when we look at the company's financial position we should consider its overall position rather than the financial position of only one part of the undertaking.

On page 23 of the judgment we find this:

> The Canadian Pacific has a common treasury for all its various enterprises and into which goes its whole corporate revenue, including railway operating income and "other income." And from this common treasury all disbursements are made.

In effect, the company makes no distinction at all between operating income and "other income." Farther on the commissioner states:

> The whole enterprise of the Canadian Pacific Railway Company is somewhat closely integrated.

Surely a classic understatement.

> And for this reason I have found considerable difficulty in appreciating the true situation of the company in respect to its railway operations.

The commissioner has difficulty; the commissioner never saw through it, and yet he comes to his entirely unwarranted conclusion. Obviously, if these activities are transportation activities, then the profits resulting from them should be included in the general profits of the whole business; if they are not, then they are improper investments for a public utility and the Canadian Pacific should get rid of them rapidly. I maintain that, on the basis of the figures which I have presented to this house, neither the Canadian Pacific Railway Company, the board, nor yet the government has made a case for the increase in freight rates which has been granted.

Much has been made of the demands of labour for higher wages. I am in complete sympathy with these demands. I see no reason why labour should not get higher wages, but it is something approaching hypocrisy when the Canadian Pacific Railway Company professes to be so desirous of looking after the interests of its own employees in view of its record in the past with respect to these same employees. I am willing to say this. If, after the increases which the workers have asked for have been granted, the railways then show that they are taking a loss, I can see no reason at all why they should not be given an increase in freight rates. But I do not see why they should be given that increase when obviously they are not taking a loss and all they are doing is crying "wolf" and trying to frighten everybody.

Unhappily the only people they frighten are the board of railway commissioners and the present government, and the people of Canada have to suffer for it. So far as we in the west are concerned, even if there is an increase in freight rates, we are not going to lie down under the discrimination which exists in rates as between the west and the central provinces.

Again I join with those who do not blame the central provinces, but discrimination is a fact that has to be dealt with. We in the prairies have to pay 15 per cent more in many cases, in British Columbia and Alberta sometimes about 25 per cent more. Taking the picture by and large over the last twenty-nine years, we find that the Canadian Pacific Railway Company in its western lines has made net earnings of $753 million in the west, and in the east, $361 million, and now it wants to come and soak us once again.

I maintain that the action of the government in what it has done, in passing that order in council, has been hasty and arbitrary and that the Canadian Pacific Railway Company has more than enough tucked away in profits and reserves to last for two years, no matter what increases are given in wages, until we have the new examination completed. There was no reason for increasing the rates. What we see again is the west, and, I suspect, the east, being exploited, with the active assistance of this government.

We also have the interesting, not to say anomalous position of some Liberal members who were breathing fire and smoke and bellowing loudly against the judgment on the 5th of April, when there was no want of confidence motion before the house. Then they were ready to do anything, but when the chips were down, in true Liberal style we could not see them for smoke.

It reminds me of what Heywood Broun said about a Liberal. As he was walking in Central park with his son, a small boy, they came to a merry-go-round. The youngster began squalling when Broun put him on the contraption and it began to spin around. He squalled more loudly and fiercely until his father took him off and they started away. Then the boy squalled the loudest. He wanted to go back; but he did not want to climb on again, but to stand as close as he could to the whirling thing without touching it and, above all, without having it touch him. "At that moment", said Broun, "I knew what a Liberal was".

Mr. T. J. BENTLEY (Swift Current): There have been so many speeches in this debate that a few more will be in order. The speeches have taken a variety of turns, running from the one the Minister of Transport (Mr. Chevrier) made when he attempted to defend the government's position and tried to make the defence look like a major attack.

There have also been some pretty good analyses of railway statements, and there have been some careful criticisms such as that which has just been given by my hon. friend the member for Winnipeg North (Mr. Stewart).

I am going to try to deal with the matter from the ordinary citizen's point of view as it affects those of us who live by virtue of the work done in our day-to-day occupations, in the west, and to whom the matter of increased costs is extremely important. I know that those who live in the higher realms of finance and business can nearly always take a pencil and balance sheet and justify any action they wish to take in order to improve the position of the particular institution in which they are interested.

It is not by any means an odd situation that they should want to do so, but I sometimes think they do these things without realizing

the effect on other people, and a great many people will suffer more than they need to because of this action.

I am not going to blame the railway companies very much. After all, they are human beings like everyone else; their interests are in the business they manage, and they attempt to manage that business in line with their particular economic gospel, to get all the profit the traffic will bear. They are not alone in the worship of that particular golden calf.

A number of statements have been made here—I believe someone called it "slick", or used some similar adjective—describing the move which the C.C.F. made when our leader moved the amendment on going into supply the other day. Prior to that, and before the time when these rates were to go into effect, an attempt was made, by moving for the adjournment of the house to discuss the matter, to persuade the government that they should stay proceedings. It was not asking the government to disallow the increase. It was not asking the government to take any other position or to do any other thing than simply to delay or to put a stop to proceedings until such time as everyone concerned had had an opportunity to present to the government the effect which the increase would have on the people to whom they were responsible. These were the premiers of the seven provinces which are affected, who knew the temper of their people and the conditions in their provinces.

As has been pointed out here before, these premiers, these provincial governments are of different political stripes. So when they said they were dissatisfied with the judgment of the board of transport commissioners, they did so in the full belief that they were dealing with the matter, not from the political or partisan point of view, but from the point of view of the effect it would have on their particular provinces.

It has been said in this debate that the C.C.F. and others who were opposed to the increase were not giving consideration to the needs of those people who worked for wages on the railways. I have read through the judgment. I will not say I have made an exhaustive study of it, as possibly others have done, but at least I have read it sufficiently to know what is not in it, and I find no place in the judgment which indicates that the increase has been granted by the board, in any part whatsoever, specifically to be applied to an increase in wages or salaries of the workers on the railways.

I am also informed by other sources outside the judgment that the unions who represent the workers on the railways were not permitted to add their voice one way or the other when evidence was being given before the board. I wish further to point out that there has been no alternative proposed by either the government or the board, or by the management of the railway companies themselves. It may be possible that there are alternatives, but if their need for increased revenue was great, alternatives could have been proposed, and they have not been mentioned.

I wish to point out another thing before I go very far into this subject, and that is that in the early stages of the discussion the hon. member for Lethbridge (Mr. Blackmore), who was quite vehement in his observations, pointed out that a thing of this kind, added to the many other discriminatory practices against the west and the east—he was dealing mostly with the west and I will, too—may possibly cause in the west a serious rupture of good feelings toward the two central provinces. The leader of our party said more mildly that it was a threat to good relations, because the country, economically, was bound together by bands of steel. That has been mentioned on more than one occasion both in histories of this country and in historical novels written by people who write things of that kind.

The hon. member for Calgary West (Mr. Smith) was inclined to feel that the hon. member for Lethbridge did not add anything to national unity by making the suggestion. But I think the hon. member for Lethbridge did a good job in doing that, for this reason. While I am the last one who wants to see any disunity, I do not think we should shut our eyes to anything that may happen to cause breaches such as he suggested. I know the people in the west are not thinking of secession—that is, not a large number of them—although it is true that there are a few here and there who will get up and say that we should have secession. But I know there are quite a number of people in the west who, whenever something like this happens that affects them, will then start to consider seriously the suggestion of these few other people I just mentioned who call for secession. I know, however, that the great bulk of the people in the west want to have a united nation in Canada as well as a united nations organization in the world. I am also one of those, and I certainly will never do anything I can avoid doing that will cause any serious talk of a split in our Canadian nation. I think it would be most unfortunate.

The hon. member for Waterloo South (Mr. Homuth) is, I believe, quite ill. I regret that, and I should like to say to him, through his friends, that I hope his recovery will be rapid and complete. I regret greatly that he is absent because of his illness. But he mentioned the fact that he did not think any differences which might exist between the central provinces and either of the extreme ends of our country were bred entirely of selfishness, and that he believed that it was not fair for him to be able to buy a Chevrolet car—I think that was the example he mentioned—more cheaply than somebody in Regina, Edmonton or Vancouver could buy it, just because there was a heavy freight charge on it out there. I give the hon. member credit for that, and I believe he meant what he said.

I hope his friends will convey that to him because, when he was making that statement, he said that members of this party never had a kind or pleasant word for anybody. I assure him and many of his group that many times we believe in their sincerity. I believe he would do as he says. But unfortunately the history of the country has made it possible for concentration of control of our economic life to be in these central provinces; and sometimes the management of these large concerns which have that control have not exercised the restraint they might have exercised in their dealings with other parts of the country, thus causing to a large extent those feelings which I have just described, which were mentioned by the hon. member for Lethbridge.

We do not want any secession. We want a complete and unified nation. I do not intend to go beyond that as did one member on the other side of the house tonight, I believe, when he suggested that we should have customs union and possibly political union with the United States. I am still quite happy to be a Canadian, and I believe that Canadians can run their own business in their own way without any joining up with somebody else to run their domestic affairs.

With regard to some of the things dealt with by the judgment, there has been misinterpretation either by the press or by political speakers, and possibly a combination of both, which has given rise to a belief that is not correct. We were led to believe that there was to be no alteration in the freight rates on grain. When we read the judgment we see that that is not a correct statement. But the word went across the country making many people believe that it was so. Now we find ourselves flooded with protests because the new freight rates are being applied on out-of-line hauls, I believe on storage in transit and on local movements of grain in the provinces. That will have an effect on the cost of living and the operations of farmers in both buying and selling their grain in the different localities. I believe these rates should have been left as they were. Of course I do not think any of the increases should have been granted at all in the judgment. But if they were to be granted, I believe that these rates should have been left as the word went out they were to be left.

Another thing I wish to point out is that, as stated in one place in the judgment, the minimum charge of seventy-five cents per 100 pounds on less than carlots will mean, in some cases, not a 21 per cent increase, but more than 100 per cent increase. We will take the matter of a crate of eggs, for instance; and many small poultry people, in order to have their eggs go forward to market as fresh as possible, must ship them frequently in one-case lots. I want hon. members to realize that a great many people operate on a small scale. That is how they make a living, and that living is important to them. I presume that if you ship a case of eggs now under what the judgment has allowed the railways, where it used to cost thirty-five cents to ship a case, it will now cost seventy-five cents. That is more than double the price charged before, and I think it is completely unwarranted and unfair treatment of the kind of producers I have just mentioned.

There is another thing. I am sure that in the judgment I can find no authority for this being done but I am informed that it is being done, and that is—

Mr. CHEVRIER: Pardon me. If the hon. gentleman will look at page 88 of the judgment under the title of "Minimum Charges" he will find that there is authority for doing that very thing.

Mr. BENTLEY: Pardon me. I imagine I did not make that point clear. I had finished with that remark. While authority is there for seventy-five cents per 100 pounds on l.c.l., I just got through saying it should not have been allowed by the board.

But what I want to mention now is the matter of retroactive charges on these freight rates. That is not allowed in here that I can find; yet I am informed that in the western provinces, cars that were shipped out before April 8 and were in the showrooms, and farm machinery that was in the warehouse, now have added to their cost the 21 per cent

increase in freight. Who is to get that? Not the railroad. The machine companies and the automobile manufacturers or the dealers will not collect that retroactive freight and turn it over to the railroads.

Mr. CHEVRIER: May I be allowed to tell the hon. gentleman that the board's order carries no retroactivity. It is effective as of April 8.

Mr. BENTLEY: I agree with the minister. I heartily censure him for not having taken steps to see that no dealer in these machines made that charge on goods shipped before April 8. The government took no such action to protect the people. It did the same thing in this connection that the Tory government did many years ago when it put the excise tax on sugar and allowed people with warehouses full of sugar to reap that extra profit and put it in their own pockets. The government has not given the attention to the needs of the people that it should have given.

A short time ago I said no thought had been given to the alternatives. There are at least three principal reasons why the railways felt it was necessary to ask for this increase in freight rates. The first is the tremendous over-capitalization, particularly of the Canadian National; and I want to quote authorities for that statement. First I refer to the report of the royal commission, commonly known as the Duff commission, at page 30:

> Another aspect of the problem is the total capital liability of the system. At December 31, 1931, the long term debt of the Canadian National Railways due the public (funded debt unmatured) amounted to $1,276,457,207. The money invested in the original government railways, loans by the dominion government to the privately-owned railways now absorbed in the system, loans to the Canadian National Railways to meet annual deficits, interest accrued on these loans and unpaid, and deficits on eastern lines, together total $1,393,469,164. The total of these two sums is $2,669,926,371.
>
> It has been suggested that in view of the excessive capital liabilities in relation to the earning power of the system they should be reduced to an amount which would more nearly approximate the earning power of the railway. The net operating income (i.e. the amount available for interest and dividends) of the Canadian National system for the period 1923 to 1931 inclusive averaged $24,414,447 per annum. This figure would require adjustment if adequate provision were made for depreciation. It is obvious that on this basis of earnings the capital liabilities would require a very drastic writing down.
>
> And while this commission is of opinion that it must be frankly recognized that a very substantial part of the money invested in the railways comprised within the Canadian National system must be regarded as lost and that its capital liabilities should be heavily written down, they do not consider that the time is opportune to deal with this important matter.

That was back in 1931 or 1932. When is the time to be opportune to do that job? Again, at page 86 of the judgment of the board of transport commissioners just issued, they confirm that statement in the second paragraph under the heading "Other income":

> The Canadian National Railways are efficiently managed but are operating under a very large debt which carries a large fixed charge, which makes it very difficult to operate from a profit point of view, it being an amalgamation of a number of non-paying roads.

More could be quoted along this line. At page 41 of the book "The Tragedy of Henry Thornton", the writer makes this statement:

> It is true that "surgical operations of the bankruptcy courts" should have lessened the crippling burden of capital indebtedness . . . .

I am not so sure I would want to recommend a surgical operation of that kind, but I say that, since the Canadian National Railways is a government-owned concern, if that is necessary in order to put it on a paying basis, then the proper thing to do is to write it down to its actual value. Then let the capital, which has no representation in physical assets but which represents the savings of widows and orphans and other people who had a right to expect their investment was safe, be provided for and serviced by all the people of Canada, including Ontario and Quebec. That would be a fairer way and a better alternative than allowing this increase in freight rates, which will have a more detrimental effect upon the people of the west and, I understand, those of the east than they should be expected to bear.

On motion of Mr. Bentley the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. BRACKEN: What will be the business for tomorrow?

Mr. ST. LAURENT: Tomorrow afternoon we shall resume the debate on the motion to set up the committee on human rights and fundamental freedoms. If that is disposed of before six o'clock we shall proceed in committee of the whole on Bill No. 138, to amend the Export and Import Permits Act. If that should be disposed of before six o'clock the next item will be the second reading of Bill No. 197, to amend the Export Credits Insurance Act. After six o'clock the Minister of Justice and the Minister of Trade and Com-

merce will have other official duties that will prevent them from being in the house during the evening. At eight o'clock, of course, there will be the hour reserved for private bills. After that will come the second reading of Bill No. 47 to amend the War Service Grants Act; second reading of Bill No. 60, to amend the Veterans Insurance Act, and then the resolution standing in the name of the Minister of Veterans Affairs preceding a bill to amend the Veterans Rehabilitation Act. If that is not enough the Minister of Transport will be prepared to go on with the second reading of Bill No. 10, respecting the appointment of auditors for the national railways, and with the resolution preceding the introduction of a bill to increase the grant to the railway grade crossing fund.

Mr. MacINNIS: When will today's debate be resumed?

Mr. ST. LAURENT: This debate will probably not be resumed until Tuesday. On Monday the unfinished business of the program for today will be continued, and other items will be added if there is time for more work.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, April 16, 1948

The house met at three o'clock.

TRANS-CANADA AIR LINES

REFERENCE OF ANNUAL REPORT TO RAILWAYS AND SHIPPING COMMITTEE

Right Hon. C. D. HOWE (Minister of Reconstruction and Supply): Mr. Speaker, I beg leave to table the annual report of Trans-Canada Air Lines for the year ended December 31, 1947, in English and in French. The report is being distributed this afternoon.

I wish to move:

That the annual report of Trans-Canada Air Lines for the year ended December 31, 1947, tabled this day, be referred to the sessional committee on railways and shipping owned, operated and controlled by the government.

Motion agreed to.

RAILWAYS AND SHIPPING

CONCURRENCE IN FIRST REPORT

Mr. H. B. McCULLOCH (Pictou) presented the first report of the sessional committee on railways and shipping owned, operated and controlled by the government, and moved that the report be concurred in.

Motion agreed to.

LABOUR CONDITIONS

DEEPSEA SHIPOWNERS AND DECK, ENGINEERING AND WIRELESS OPERATORS—TERMINATION OF PACIFIC COAST STRIKE

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, on Monday last I was able to announce the termination of the strike of officer personnel employed on deepsea dry cargo vessels of Canadian registry at Atlantic coast ports.

I am pleased now to advise the house that a settlement has been reached on the Pacific coast and ocean-going vessels which have been held up by the strike there will be free to sail from British Columbia ports immediately.

The terms of settlement on the west coast are the same as those previously reached on the east coast. Wages and working conditions of officer personnel for the coming year will be as recommended by Mr. Justice D. A. McNiven, industrial disputes inquiry commissioner, and the companies and unions have agreed that there shall be no discrimination in employment or legal action taken or penalties imposed against officers who have been on strike.

PALESTINE

DEATH OF BRITISH SOLDIERS—COLLECTION OF FUND FOR ZIONIST ORGANIZATIONS

Mr. W. E. HARRIS (Parliamentary Assistant to the Secretary of State for External Affairs): Mr. Speaker, last week the hon. member for Wetaskiwin (Mr. Jaques) asked this question, as reported at page 2804 of *Hansard*:

Will the government consider the advisability of prohibiting the soliciting of funds in Canada for the purpose of supplying these zionists with arms and ammunition?

I am asked to make this answer. Arms and ammunition cannot be exported from Canada without an export permit, and no export permits have been granted for the shipment of arms and ammunition to Palestine. Nor is exchange authorization given for the transfer of funds from Canada to purchase arms and ammunition abroad for shipment to Palestine. Therefore the government does not consider it necessary at the present time to take the action suggested.

CIVIL SERVICE

REGULATIONS WITH RESPECT TO HOLDING CIVIC OFFICES

On the orders of the day:

Hon. COLIN GIBSON (Secretary of State): Yesterday the hon. member for Ottawa East (Mr. Richard) asked a question concerning the holding of public office by members of the civil service, and I told him that representations had been made and the matter was receiving consideration. I have much pleasure in advising him now, and also hon. members, that an order in council has been passed amending the previous order in council of 1932 concerning the acceptance by civil servants of municipal office. The order as amended will now read:

Provided always that the minister administering or in charge of any department may, in his discretion, grant permission to any of his officers, clerks, or employees, to accept a municipal or civic office which does not carry with it a salary, honorarium or other emolument exceeding nine

hundred dollars per annum, if, in the opinion of the minister, the acceptance of such office does not interfere with the proper and regular performance of his duties as a civil servant.

I might say that the previous figure was $500.

JOINT DEFENCE

INQUIRY AS TO EXPANSION OF ROYAL CANADIAN AIR FORCE

On the orders of the day:

Mr. L. W. SKEY (Trinity): I should like to address a question to the Minister of National Defence. In view of the action taken yesterday by the United States House of Representatives in voting $3 billion to increase their air force from fifty-five to seventy groups, has the minister or the Canadian government during the last year received any representations from the United States government regarding the expansion of the Royal Canadian Air Force? Since the United States government has taken this action will the Royal Canadian Air Force be expanded in implementation of our joint defence agreement?

Hon. BROOKE CLAXTON (Minister of National Defence): In answer to the first question as to whether we have received any requests from the United States government that we should expand our air force I can say no, and I think it would be almost inconceivable that such a request should be made.

Some hon. MEMBERS: Hear, hear.

Mr. CLAXTON: In answer to the second question, the provisions for the Canadian navy, army and air force have been put before the house in the estimates and any increases would be put before the house in the form of supplementary estimates if that becomes desirable. The intention of the government will be made known in due course.

Mr. SKEY: On a question of privilege, I said "representations" and not "requests" of the United States government.

Mr. CLAXTON: I think I should add a further word in reply to the hon. member for Trinity's question concerning the agreement between Canada and the United States with regard to joint defence. I did not have notice of his question and I have not before me the statement regarding joint defence which the Prime Minister made in the house on February 12, 1947; therefore I cannot give the page of *Hansard* or the actual text of the agreement. But I do think it important that the agreement, contained in the joint declaration, should be taken for what it is, namely, an agreement under five heads. Anything in the nature of the suggestion of my hon. friend

[Mr. Gibson (Hamilton West).]

certainly would not be within the purview of that arrangement.

EUROPEAN RECOVERY PROGRAM

INQUIRY AS TO EFFECT ON CANADA'S EXCHANGE SITUATION

On the orders of the day:

Mr. J. M. MACDONNELL (Muskoka-Ontario): I should like to ask the Minister of Finance whether he is in a position to tell us yet of the effect that the Marshall plan, now that it is passed, will have on our dollar situation, and in particular whether it will enable the government to remove any further items from the effect of the austerity taxes.

Hon. DOUGLAS ABBOTT (Minister of Finance): I made a statement on that matter the other day in reply to a question put to me by the hon. member for Moose Jaw. If the hon. member will look at page 2854 of *Hansard* he will see my views on it.

Mr. MACDONNELL (Muskoka-Ontario): I thought that the minister may have got more information since then, and that I could get information which was up to the moment.

Mr. ABBOTT: No; my answer was given only a day or two ago, and I am afraid there is nothing really new since that time.

INCOME TAX

PRAIRIE FARMERS—NET WORTH STATEMENT—QUESTION WITH RESPECT TO FORMS

On the orders of the day:

Mr. E. G. McCULLOUGH (Assiniboia): I should like to direct a question to the Minister of National Revenue. Having regard to the violent exception taken by the western farmers to the net worth statement of the prairie farmers income tax forms, will the minister consider issuing new income tax forms, deleting the net worth statement, and extending the date necessary for filing them sufficiently to allow this action to take place?

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, it would not be practicable to do that at the present time because the forms are already in the hands of the taxpayers.

TRADE AND COMMERCE

CANADA-UNITED KINGDOM—QUESTION AS TO RELAXATION OF RESTRICTIONS ON IMPORTS OF BRITISH GOODS

On the orders of the day:

Mr. DOUGLAS G. ROSS (St. Paul's): I should like to direct a question either to the Minister of Trade and Commerce or to the

Minister of Finance, I do not know which one. It arises out of a report in the *Globe and Mail* this morning of a statement made by Mr. J. C. Patteson, retiring president of the Canadian chamber of commerce in Great Britain, in which he said that trade between Canada and the United Kingdom is severely restricted.

Mr. SPEAKER: Order.

Mr. ROSS (St. Paul's): My question is this. In view of what Mr. Patteson said, is the government aware of the parlous condition of Canadian commercial interests in that country arising out of economic forces and the prevailing foreign exchange situation, and has the government given consideration to the relaxation of some of the controls, restrictions and prohibitions so that Canadians may buy more British goods, which will meet our shortage here and help our foreign exchange situation? If so, what consideration has been given?

Right Hon. C. D. HOWE (Minister of Trade and Commerce): So far as I know, trade between the United Kingdom and Canada is moving freely and seems to be on a fairly satisfactory basis.

Mr. ROSS (St. Paul's): Has the minister or any other minister had no representations from Mr. Patteson, retiring president of the Canadian chamber of commerce in Great Britain, to that effect?

Mr. HOWE: The answer is no.

HUMAN RIGHTS

FUNDAMENTAL FREEDOMS—OBLIGATIONS UNDER UNITED NATIONS CHARTER—APPOINTMENT OF JOINT COMMITTEE

The house resumed from Monday, April 12, consideration of the motion of Mr. Ilsley (for the Prime Minister) for the appointment of a joint committee of both houses of parliament on human rights and fundamental freedoms, and the amendment thereto of Mr. Knowles.

Mr. SPEAKER: Is the house ready for the question?

Right Hon. J. L. ILSLEY (Minister of Justice): I think I should say a few words in reply to some of the statements that have been made. I am not sure that I should do so, but in any event my remarks should be very brief.

Mr. COLDWELL: Is the minister closing the debate?

Mr. ILSLEY: Yes.

Mr. KNOWLES: On a point of order, the minister is speaking in the debate on my amendment.

Mr. ILSLEY: That is true; I am speaking on the amendment.

Mr. DIEFENBAKER: And the minister is not closing the debate.

Mr. ILSLEY: I am not closing the debate, because of the amendment. After the amendment is disposed of it will be open to anyone to speak.

Mr. KNOWLES: Including yourself.

Mr. ILSLEY: I shall just say a word about the amendment. I will accept the amendment. It is merely an empowering amendment. It is understood of course that it is not in any sense a direction to the committee. It merely gives the committee power to make certain recommendations to the House of Commons, which it may or may not choose to make, and so long as that point is clearly understood I accept the amendment.

Mr. KNOWLES: It is up to the committee.

Mr. ILSLEY: Yes.

Mr. T. L. CHURCH (Broadview): I wish to point out to the house the great importance of this motion in view of what happened in the second rape of Czechoslovakia last February and March. We have already lost the supremacy and the freedom of the seas, and do not know where it is going to land us. We do not know where it is going to land Canada. Because of that loss I wish to take part in this debate on human rights.

The events which have taken place in Europe in recent days have shocked the entire civilized world into recognition of the grave danger that faces not only the people of Canada and of the United States but the British empire as a whole, because of the irreconcilable difference between western ideas of democracy and the ideas of the east. For that reason I wish to say something this afternoon on the motion that is before the house.

I should like to congratulate the hon. member for Lake Centre (Mr. Diefenbaker) on his persistence in bringing this whole human rights matter to the attention of the house. I referred to it myself when parliament met in September, 1945. On that occasion I discussed this whole subject. The hon. member deserves a great deal of credit for pointing out to the house the grave danger in which our country finds itself at the present time.

For four centuries we have depended for our freedom on Britain's supremacy on the seas.

British naval might saved us, or rather our forefathers, in the days of Philip of Spain and the Spanish Armada, as it has done on other memorable occasions, in the days of Louis XIV, Napoleon, and twice in our own generation against Germany. British naval power and command of the seas saved the whole civilized world. From the peace that followed Waterloo in 1815 the world had a hundred years of peace, until the outbreak of the first world war in 1914, because Britain was supreme upon the seas.

The motion which the Prime Minister has introduced for a committee of both houses on human rights is concerned with the fundamental freedoms of speech and of assembly, and freedom from want and fear, as set out in the Atlantic charter. I should like, Mr. Speaker, to get the attention of hon. members opposite. If they are not interested in what I have to say, at least they should be interested in the subject I am discussing. Does freedom, and particularly the freedom that I have been referring to for the last few minutes, the freedom of the seas, mean nothing to hon. members in this house? We can find time to discuss the price of sugar, the price of wheat and other material things, but apparently hon. members are not interested in their own security. It is about time we all woke up to the danger that faces us.

I was referring a moment ago, Mr. Speaker, to the Atlantic charter. The word charter has undergone some change. It is defined in the Pocket Oxford Dictionary in these terms:

> Charter—Written grant of rights by sovereign or legislature, privilege or admitted right.

That is one of the meanings, but in our day it has come to mean a good deal more. I say this because under our system we have a complicated constitution. I agree with what the Minister of Justice has said, that there are certain provisions in our constitution that leave a wide field to the provinces. We are part and parcel of the empire, and I suggest that we should never overlook that fact in considering our relations with other parts of the commonwealth with respect to a motion of this kind. I contend that the principles which the fathers of confederation had in mind did not contemplate the duplicate provincial system we have today. Property and civil rights fall within the provinces and it is difficult to secure uniform law. When the Supreme Court of Canada was created the purpose was to hold an even balance between the municipalities and the provinces on the one hand and the dominion on the other, under the charter which we call the British North America Act.

In my opinion we should have the right as a parliament, under the Supreme Court Act, to refer to that tribunal any doubtful matter, and in this connection I suggest that we should have a legal committee functioning in Canada. We should have had one years ago. I have frequently urged something of the sort. Certainly there should be some body to which we could refer matters such as that which we have been discussing in the last few days.

Since confederation the enforcement of federal law has been delegated to the attorneys general of the provinces. The federal government does not enforce its own enactments. I contend that there should be federal enforcement of federal law, but because we have not the proper machinery for the enforcement of these laws, their enforcement is turned over to the provinces, who in turn further delegate it to municipalities and local police forces.

In considering the motion before us we have to take into account the constitutional act of 1791. Much of the common law of England has been copied into our constitution, since 1791, as adapted to our circumstances, including the right of habeas corpus and the principles embodied in the Bill of Rights, the Petition of Rights, and Magna Carta. It must not be forgotten that the principles of Christianity have also formed a part of the common law of England, and since 1791 that has been copied into our laws. Unless we do everything in our power to preserve the freedoms that we enjoy today, and above all to do our part in maintaining the freedom of the seas, through the naval supremacy of Britain, we may find ourselves in very grave danger, with one-half the rest of the world armed to the teeth.

The main questions before the country today are parliamentary reform, constitutional reform, cabinet reform and law reform. We have had no law reform in this country, as far as I can see. The jails have been filled with people who should not be there. We talk about human rights and all that sort of thing, but many of our young people have been suffering as a result of our system of controls. Fundamentally, the motion is sound in principle, but whether it can be enforced is another matter. In the olden days might was right. Today, might plus right is right, especially in the world as it is at the present time. Under the British constitution the courts are subservient to the legislature. That is one of the cardinal principles of the English constitution and has been from time immemorial.

We have seen the effect of this in many ways in our own country, observing what goes on both within and outside Canada. I have always insisted in this house that, ever since the year 1770, parliament has been recognized as the body charged with the determination of national expenditures. It was on the principle that there should be no taxation without representation that the United States of America, or as it was at the time of the secession, the colonies, broke with Britain, when the people of Boston threw the tea into the harbour. The British people from that time to this day have demanded parliamentary control.

Since the lights went out in Europe in 1914 we have had pretty nearly thirty-five years of war and fear. The people have been haunted by fear, restraint and discipline. Fear is filling the cemetery. We have a tendency to over-organize. We are living in an age in which labour is taught to fear capital and capital is taught to fear labour. The United States fears invasion and boom and bust. The world fears the atomic bomb. Everyone fears someone or something, and liberty is nowhere. What we want in Canada today is more freedom and less legislation which interferes with the liberty of the subject.

The world outlook today is extremely dark. As was stated by William Pitt in the House of Commons in England, "necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves." If you look at the world today, you will find its condition set out in the second verse of the first chapter of Genesis:

> And the earth was without form, and void; and darkness was upon the face of the deep.

That is exactly what you have today. Where is freedom of the seas? Let me tell you that questions have not been and will not be answered in the British House of Commons. Where will you be without freedom of the seas? That was the real Monroe doctrine for nearly two hundred years, the supremacy of Britain on the seas, and freedom of the seven seas. Where are you going to be without it? I can tell you, and I cannot be successfully contradicted. In the old country there is the navy league. They are up and doing and they know where every ship is. But what have we here? We have not a battleship on the seven seas. We have not a carrier or a destroyer on the seven seas today. The navy has simply been wiped out. Where are we going to be in this country? Yet there is talk about the price of food and all that kind of thing. I may say that the country does not belong to those who sit here in this house representing their constituents. It is an inheritance from the past, a possession for the present, and a trust for the future. Where are you going to be while all this is going on?

I am a great admirer of the people of the United States. I wish to refer to them now for a few moments. The people of the United States, now that they are running the united nations, and the organization is located in their midst, need not think that the second league which they created at Lake Success will be any better than the other one. These leagues have been in existence for over a hundred years. Hon. members will recall the Holy Alliance which led a great prime minister of Great Britain, George Canning, to urge Britain to get out of Europe and unite, and led to the Monroe doctrine in 1823. From that date forward the Monroe doctrine was the supremacy of Britain on the seas, which gave them the freedom they have.

I marvel at what the people of the United States have done in two wars. I think it would be better, though, if we were to tell them the truth, the whole truth and nothing but the truth about our side of the world's story. Look at the way these things have been handled at Lake Success. Wait until the historians write up these events. Look at what has been done with regard to Palestine, India, the Suez and Greece. Look at what happened in Geneva; millions in buildings erected there. All the newspapers commented —and not in one or two or three lines—on the collapse of that league over in Geneva. Look at the way they have handled Palestine, the Indian situation, the Balkan states, and the Baltic states. All these matters have been before this united nations organization, and everybody has wanted to go down there in such a great rush and stop at the fine hotels. I venture to say that when we get the bill for a floor of a Biltmore hotel or two $100,000 will be a small amount compared with what has been expended at the great feast that has been going on down there. Wait until the people find out what has been going on.

Has Lake Success made it any easier for the United States to get on with Russia? I should say no. The U.N.O. at Lake Success has been one of the most mischievous institutions we have ever had in the past or will have in the future. Today I think that western civilization is farther apart from eastern civilization than it has ever been in the past. There is no use in our supporting these leagues any longer; they have been a flat failure in the past. There is no use in

the United States and Britain pretending all that kind of thing, that they can accomplish peace and security by any such international organization. If they do, then we are going to have a third war as sure as anything. They are just wasting time. What have they done for freedom and human rights?

There is a book called "Stalin and his Russia", by Dr. Dallin—I think you can find it in the library—which gives the history of millions of slaves who have been deported from various parts of Europe and forced to work in the mines and all that kind of thing. They are slaves and they are always going to be slaves. Where is our delegation down at the united nations? They have the information on this. Why is the House of Commons not informed? Why do the press not inform us? Why does the radio corporation not inform us? Why is something not done to give the public the facts of this slavery? Are they to be blindfolded the way they were before the great war of 1914 and after that between the two wars? Now, after Britain has scrapped the finest navy and army and air force the world has ever seen, are we to go on pretending? I say no, that no nation should be allowed to go on pretending, the way they are doing, to ensure peace or security by such an agency as Lake Success.

I wish to refer to the manner in which this resolution was introduced. The principle of the resolution depends on faith and Christianity. Christianity is based on kindness. But everyone who is a Christian deprecates the wrong and the sin within himself. Good Friday, a Christian holiday, was turned into a carnival of revelry and jazz on the radio and everywhere that it could be done, and no attention was paid to it at all in a so-called Christian nation. The Christian principles on which the British empire has been built from time immemorial are set out in the summary of the ten commandments—

> Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind.
>
> This is the first and great commandment.
>
> And the second is like unto it, thou shalt love thy neighbour as thyself.
>
> On these two commandments hang all the law and the prophets.

That is the backbone of this resolution. That is the backbone of the British constitution.

As I say, Christianity is within and not without. A person who sees his own waywardness and who extends compassion to all men, bears the same burden as others. The Christian doctrine is concerned with the salvation of self; it endows all men with an individual value, in that they are all equally children of a Divine Creator.

[Mr. Church.]

Last Monday was an historic day in the old land—and it will be an historic day for this house too, because on that day the hon. member for Lake Centre made a splendid speech for human rights and freedom. At the same time in London a bronze statue was unveiled to the memory of a great man, one who will live in history, namely the late president of the United States. Wordsworth, speaking of the death of Milton, said:

> Milton, thou should'st be living at this hour:
> England hath need of thee!

We today should say: Kipling, thou should'st be living at this hour: England hath need of thee. In 1897, at the time of the diamond jubilee of the Empress Queen Victoria, when the empire was at its peak, when from cape and island and continent the men of forty races came to England, jostling each other in the streets of London; at a time when Britain was still mistress of the seas, Rudyard Kipling in his great poem "Recessional", said:

> Far-called, our navies melt away;
> On dune and headland sinks the fire;
> Lo, all our pomp of yesterday
> Is one with Nineveh and Tyre!
> Judge of the nations, spare us yet,
> Lest we forget—lest we forget!

This week this building was visited by a great missionary bishop of the Church of England, one of the greatest in the empire, the learned and gifted Right Reverend R. J. Renison. Last Wednesday in the *Globe and Mail* there appeared an article written by him in which he spoke of the "Recessional," and said:

> Our people have been greatly favoured, and we may be thankful that the poet of empire once called attention, not to battleships and far-flung flags, but to righteousness and truth and God, through whom alone men may reign.

He went on to quote another verse of that great poem:

> The tumult and the shouting dies;
> The captains and the kings depart;
> Still stands Thine ancient sacrifice,
> An humble and a contrite heart.
> Lord God of Hosts, be with us yet,
> Lest we forget—lest we forget!

Last Monday in London a monument to the memory of Franklin D. Roosevelt was unveiled and dedicated in the presence of Mrs. Roosevelt. Right Reverend Bishop Renison, of whom I spoke a moment ago, referring to Kipling's "On the Great Heart", written by Kipling at the time of the death of Theodore Roosevelt, said that Kipling's "Great Heart" might rather have been dedicated to Theodore's kinsman, Franklin D. Roosevelt. The bishop continues in his article:

> The death of Franklin Roosevelt had all the lights and shadows of great drama. Coming

as it did on the eve of victory, at the moment when freedom's Easter light is warming the world's heart after five and a half years of night, the eyes of mankind turned from the eastern and western fronts to look at the passing of a tired warrior who died in his bed at Warm Springs. For three days the movement of armies seemed forgotten. It was a tribute to the power of personality. Surely the spirit of man is the candle of the Lord. Rudyard Kipling wrote some lines at the end of the last war about the death of Theodore Roosevelt which, even heard today, seem more appropriate to his great kinsman. The poem is entitled "Great-Heart".

Since the beginning of time mankind has been herded in continents like cages. The legends of our race have taken centuries to reach the universal heart. But now there is one world. This fact has made Franklin Roosevelt the world's neighbour. This invalid warrior was known in every land. For ten years his face has been seen on every page. His voice has been heard in every living room. His gallant bearing cheered us all in dark days. His smile was cordial to drooping hearts and his jutting chin as he signed the death warrant of the axis after Pearl Harbor was a prophecy. Through the years we marked the etching of the lines of care on his face. After his return from Yalta our hearts sank as we saw the shrinking of his frame. Now Great-Heart is gone. His work is done. What shall we say of lives like this? Does the Creator cast such handiwork on the void?

There is a sense of destiny upon our age. This may well be humanity's finest hour. Every generation carries the torch and then passes it on. Every little man among us feels greater and stronger as he thinks of those who have run well. Our life is an arena. What a comfort it is to know that we are watched by the bright spirits of those whose names are our inspiration. In the Epistle to the Hebrews there is a great passage in which the mind can see the true perspective of pain and suffering:

> "Seeing, therefore, that we are compassed about with so great a cloud of witnesses, let us run with patience the race that is set before us, looking unto Jesus, the author and finisher of our faith, who, seeing the race that was set before him, endured the cross, despising the shame, and is set down on the throne of God."

In conclusion I want to point out one or two other things about our great and grave danger. Democracy never dies; it perishes from neglect. Militant communism is on the march westward. I want to emphasize the very grave danger this country is in at the present time, as well as this continent and the whole world. Not since the days of Munich has the world outlook been so depressing. Not since the days of the barbarian invasion has Christian civilization faced such a menace as the ruthless advance of communism. These are times that try men's souls. The red devils have overrun the Balkan states. Yesterday it was Poland and Austria; today it is Czechoslovakia and Finland; tomorrow it may be Italy, China, Spain or France. Nations that have experienced the brutality of nazi oppression are now experiencing the cruelty and horror of soviet nightmare. "Their fate," says H. H. Schlact, an American, "will be ours unless we wake up right now. In one generation our dauntless manhood has bled and died twice on foreign battlefields. They fought to destroy the roots of the insatiable ambitions of fiendish tyrants who sought to enslave humanity."

It is sad to contemplate that after such terrible conflicts we should be faced with such grave events. Russia has the largest army and the largest air force. She does not maintain this mighty military machine for defence; for no one threatens her. She maintains this mighty armada for aggression and attack and conquest. Russia will attack us when she thinks we are weak. She will never attack us if we are strong. While our lawmakers talk, ponder and debate our national security, Russia is relentlessly weaving her web of intrigue and violence wherever she can obtain a foothold. She challenges our physical courage. She challenges our moral fortitude. She challenges our military power. She challenges our culture and our church. Our democratic way of life is threatened by communist concepts.

Let us sound the clarion call for national defence. Let us summon every true Canadian, every Britisher and American, to fight for national defence. There is little time left; there is no time for timidity. To be free we must be strong. Preparedness is not a war policy but an insurance policy for peace.

If history has taught us anything it should have taught us that it is not given to man to achieve his end or realize his desires easily. Freedom and liberty, then, should be conservative ideals. Freedom of the person is born of self-respect of the individual. This brings in its train institutions as English as the greenness of our grass. We think of trial by jury, of the law concerning habeas corpus, of the Bill of Rights, the Petition of Rights, the privileges of the houses of parliament, privileges which allow of the better achievement of the functions of members. It is a long time now since the barons won the first round against tyranny, and the change has not been so great since 1215.

Equally important with legal freedom is political freedom, including freedom of speech and of opinion. These are the most valued today, and should not be curtailed. A man should have the right to stand for election no matter what may be his views, but that is not so in such satellites of Russia as Bulgaria,

Poland and all the others. I have always contended that we should see to it that our method of representation creates no injustice and does not infringe on the liberty of the subject. There should be freedom of thought and freedom to seek a living voluntarily, without being coerced as they were under the statutes of labour in England in the thirteenth century.

We should support private enterprise without interference politically or otherwise. I am opposed to government by the delegation of controls and moving the control of parliament to the law courts, whereby personally controlled judicial boards grant individual freedom. That cannot be in a democracy; there is no real democracy in a condition of that kind.

Tradition is part of the policy of the party on this side of the house. We have respect for the ancient customs of ordered life and living, for privileges of parliament and freedom of speech, for legal respect, for the independence of judges and the judicial system. This party has respect for all that kind of thing.

Also as Progressive Conservatives we believe in bridging the gap between owner and workman, landlord and tenant, ruler and ruled. There is a unity of purpose, and all classes are bound, because our future happiness depends upon mutual sympathy and understanding in a Christian way. When Disraeli saw two nations, the rich and the poor, living within one country, he provided aid and succour to the weak by introducing social legislation. In my opinion the past cannot be separated from the present or the present from the future. We cannot escape from the responsibilities of the present, or shrink from our duty toward the future. We have accepted the doctrine of trusteeship.

It is for these reasons I shall support the motion. We need no longer think that we can have any of our freedoms under organizations such as that at Lake Success, which is nothing but a tower of Babel. We must not allow our interests to be thwarted. Does any hon. member know any nation which will permit its own interests to be handed over to another country? Certainly no nation will do that, unless she is so small that she cannot protect herself. Because after all is said and done patriotism is the cement that binds nations together. Those nations in Europe which have been overrun by the Soviet union want their freedom back. Let us look at Czechoslovakia, formerly one of the freest peoples in the world. Look at the way they were raped for the second time in the month of February last.

One of my reasons for supporting this motion is that I believe we shall always have patriotism, because people love their country. Love

[Mr. Church.]

of country is something that cannot be taken from one. After all, it was Sir Walter Scott in the Lay of the Last Minstrel who said:

> Breathes there the man, with soul so dead,
> Who never to himself hath said,
> This is my own, my native land!
> Whose heart hath ne'er within his burn'd
> As home his footsteps he hath turn'd,
> From wandering on a foreign strand?
> If such there breathe, go, mark him well;
> For him no minstrel raptures swell;
> High though his titles, proud his name,
> Boundless his wealth as wish can claim,—
> Despite those titles, power, and pelf,
> The wretch, concentrated all in self,
> Living, shall forfeit fair renown,
> And, doubly dying, shall go down
> To the vile dust, from whence he sprung,
> Unwept, unhonour'd, and unsung.

No country, not even Canada, should leave its own affairs to other nations or to Lake Success; you cannot have peace or security by any such procedure or farce as that.

They tried it before. It was tried in the Holy Alliance, 1815 to 1823, and that was a failure. No country will allow other countries to run its affairs, unless that country is too weak to fight in its own defence. In Canada at the present time we have no defence. The future of both Canada and the United States depends upon the peoples of those countries. Today at least they are wide awake, after what happened in Czechoslovakia. But the leagues, or the united nations organizations, or towers of Babel, or Lake Success, or the Marshall plan, can do nothing better than Great Britain and her dominions can do when they are working together and hanging together and united together. I say that because Great Britain and her dominions are vastly superior in resources than either Russia or the United States. The minute we depart from the empire, Great Britain will become a second-class power and neither Britain nor her dominions will have anything at all to say in the peace terms.

Our position in the future is of great importance. We should re-establish our air policy; the empire air training plan should be set up again at once. Our position at the present time is an important one, and it is because of that that I say our air policy should be planned, in consultation with Great Britain. We should have an empire security council, and all that kind of thing.

I had not intended taking part in the debate, but I felt I should make these few observations. What would become of the people of this country in another war? In the last one we had submarines right in the St. Lawrence river. At Riviere du Loup, where the submarines are said to have been, the river is as

wide as is lake Ontario from Niagara-on-the-Lake to the eastern gap. But the newspapers then did not say a word of it; the people were not entitled to know. Are we going to have the same situation as we had here in 1938, when we were entirely unprepared? Are we going to wait until the enemy comes?

The trouble with Russia all started down at Lake Success, because we will remember that during the war Russia was an ally. After the first great war we lost two of our allies, Italy and Japan, and we never should have lost them. We have lost one of our allies from the last war, and will lose some others, because those others have no security. Are we going to wait until our enemy comes here and sails up the St. Lawrence river?

We have a long and unprotected coast on the Pacific, stretching from Puget sound. What are we going to do about it? Britain has no battleships, destroyers or fleet carriers out there.

Mr. DEPUTY SPEAKER: Order. The hon. member's time has expired.

Mr. CHURCH: We have none on the Atlantic, the Pacific or the Mediterranean, and it is time we had some.

Mr. DEPUTY SPEAKER: Order.

Mr. CHURCH: I thank hon. members, through you, sir, for your courtesy in listening.

Mr. L. W. SKEY (Trinity): Mr. Speaker, what I have to say in this debate will not take more than two minutes. However I believe mine will be a contribution of a practical kind, one which will be worthwhile, because it relates to those who are reaching our shores now from Europe, from the displaced persons camps, as workers, farmers and relatives of Canadian citizens.

The people who are coming here have suffered much; they have lost much, and they have feared much. Almost invariably they are confused as to their rights of freedom in this new land to which they come for the first time. Therefore I suggest that the government should form orientation centres at our ports to which the ships are bringing these people. There the workers, farmers and relatives should be held for a few days only, so that they may be told about their rights, privileges and freedoms in the country they are entering. At the same time they could be shown some films and given information about the climate of our country. They could begin their cultural orientation to our Canadian way of life. They could be told how the machinery of our electoral system works, and, most important of all, they could be told what to do when the agent of a foreign power threatens them when they reach Canadian soil.

This last mentioned is the most important suggestion I have to offer. I believe they should be told even before they reach our shores what they can do with respect to those who would continue to threaten them in Canada. They should be told how to approach our police, how to advise Canadian authorities respecting approaches made to them. I make these suggestions because I know the newspaper articles are quite true in their reports as to incidents which have taken place on trains and in homes in Canada.

I hope that the government will take note of this suggestion in order that our hopes for the future and the rights and privileges enjoyed in this free country may be brought to the attention of our new citizens immediately upon their arrival.

Mr. PIERRE GAUTHIER (Portneuf): Mr. Speaker, I usually speak French in the house and English in the committees. This afternoon I shall try to express in English what I have to say, and I hope that I shall not be too long, in order that I may please as much as I can those whom I am going to criticize.

In this country, and especially, may I add, in my province of Quebec, we are all for civil rights and freedom, and this question has been widely discussed on many occasions. But the difficulty lies in the fact that it is hard to establish a sound basis from which to start. To hear some hon. members in this debate one might think that a few of them—fortunately only a few—were ready to give equal freedom to evil and good. In my province we are not ready to give equal freedom to evil and good. It is all right to talk about civil rights and freedom, even for those who are organizing from central Europe in order that they may be ready to break our back when they judge the proper time has come. In this country it is useless to name those who are getting ready to break our back and to do it more rapidly than this house seems to think.

I should like to refer to the question put by the hon. member for Macleod (Mr. Hansell), speaking in this debate the other day, as reported at page 2871 of *Hansard* of April 12, where he said:

> But I am always inclined to ask myself which of these freedoms we have lost, or which of them we are in danger of losing.

In answer to his first question I would say that no one can reasonably maintain that we have lost any freedoms in this country. To the second question I answer that in reality we are in danger of losing many freedoms.

Some members, I say, give me the impression that they are ready to give equal freedom to evil and good, even to those very same people who are ready to break our back. What would those people do if they were in our place in this free House of Commons? They would ask for freedom and civil rights in this house, but outside the house they would organize and tell their friends to get ready for the day of revolution when they will overthrow by force and violence this very government of Canada. What we are being asked to do is to give more freedom and civil rights to these people.

I am a Catholic, and I am absolutely opposed to materialism and atheism. To every Christian I have no hesitation in saying that we must not be ready to give equal freedoms to those who are daily fed with materialism and atheism, because not only would they destroy our democratic form of government; at the same time they would destroy the creed in the minds of our people who believe in the existence of God. We cannot allow them to do that. That is my stand on this resolution.

I do not doubt for one moment the sincerity of the hon. member for Lake Centre (Mr. Diefenbaker). He made a wonderful speech. It took a very able lawyer to make such a speech in favour of human and civil rights when in this free country the civil rights and freedoms, especially of the French-speaking people, have often been denied in some quarters, and we were told to keep quiet. We did not bring forward any resolution or make long speeches saying that we were persecuted. No, we continued our march towards national unity, assured that some day that national unity would be attained by the good will and consideration of everyone in this country. We did not leave the country. Sometimes we may have appeared to some to be taking the wrong way in refusing help to those who were asking us to go and fight nazism and fascism. But it was agreed, if I may say so, that we were not obliged to take part in any external war. That time however has gone, and now we have come back together to make this country the best in the world. In doing that we should not be ready to give sufficient freedom to our enemies within to help to secure the proper weapons to destroy this very country of ours. To do so would be absolutely illogical, and that is why I am trying to give my thoughts to the house this afternoon.

Someone said the other day that in trying to pass a law to ban communism we were using the same weapons as the communists, doing the same things that the communists are doing. That may be so, but when it is a question of life or death I say let us strike first in order not to be killed afterwards. That is why I would favour the passing of such a law—not because I believe that that is the only way to stop the spread of communism, Mr. Speaker; far from it. But if that is one of the weapons we need to stop the march of that evil theory to which some of us are ready to give freedom equal to what they give to the real democrats in this country, then we should use it.

On the national ground, Mr. Speaker, I could give example after example of the truth of my words this afternoon. The people of this country, yea, the people of all the countries of the world, were not aware of the danger ahead. Now they are afraid of the danger within and the present danger. Some of the nations of the world have banned communism. Is communism spreading more rapidly in those countries? Take Brazil, for instance. They imprisoned Julio Prestes. Brazil is victoriously overcoming communism. They have banned communism. Turkey has banned communism, and they are fighting communism equally victoriously, and Soviet Russia.

Chile has done the same. Let us hope that more countries of the world will do the same. Very often some people will say: Would you like fascism better? No; I am a real democrat. But sometimes some nation, especially the united nations, would be glad to have a Spain, a fascist-ruled nation, at the present time, to stop communism from spreading in Europe in order to take away from England the strait of Gibraltar. I was reading the other day a book entitled "Forging of a Rebel", and I discovered in that book—I saw the information was accurate because I checked it in other books, and one of them was that book on Stalin by Trotsky—that communism has been working since 1915 in Morocco across the strait of Gibraltar, and that Doctor Juan Negrin had developed a war in Spain. In saying that they had developed a war in Spain I am not trying to excuse Franco, but I am stating the real facts about Spain.

Let us hope, Mr. Speaker, that communism will not spread wider in Europe; let us hope that it will not go farther than it has gone, but if it should go farther we would be glad to have fascist Spain to help us to defend what is left of democracy in Europe. I should be glad if our representative in the united nations would whisper in the ears of England and the United States not to try to take Spain away from the European recovery program, because they are in a position to help democracy. This is the time to assist freedom and civil rights, because the Spaniards

are enjoying that regime at the present time, and it would be right to ask the other nations to try to help England. If England, with her socialist government, does not understand yet, let us hope that the people will continue their victorious march, started in the municipal elections, and that they will do away with a government that has no understanding of the real advantage to England of having the assistance of Spain.

With regard to the united nations organization, I am afraid, Mr. Speaker, that I shall say things that may not be approved by everyone in this house or outside of the house, but I am speaking my mind. I think that the shadow of communistic Russia has been falling on the united nations organization for too long a time. Notwithstanding their numerous vetoes, very often we can see from the speeches delivered by Gromyko and Vishinsky that they have a deliberate goal to attain. It is to try to impress on the nations of the world the necessity of giving more freedom outside Russia, and outside the iron curtain, in order that their organization may go farther in these very countries. We have been warned before. For instance, we were warned in 1932. I hold in my hand a copy of the judgment in the King *vs.* Buck and others, delivered by the court of appeal of Ontario, concerning the communist party in Canada. In a preface to the judgment Mr. William H. Price, the then attorney general for Ontario said:

> The chief justice has outlined in the judgment the origin of the communist party of Canada, has referred to the evidence showing it to be an integral part of the world-wide communist international.

There is no question that the communist party of Canada is just a part of the communist international. We cannot discuss it without wasting our time. In the judgment we find the following:

> According to the evidence of the accused Timothy Buck, large numbers of communists in Canada, in the fall of 1920, secured copies of those theses and statutes and in 1921 several groups of communists held a conference in Canada and formed an association called the communist party of Canada. Buck testified that the communist party of Canada was a section of the communist international and that from the year 1924 onward the above-mentioned theses and statutes became binding upon the communist party of Canada.
>
> The communist international at the meeting of its second world congress (its supreme governing body) held in Moscow in July, 1920, passed certain theses and statutes. Two editions of them were published, being exhibits 27 and 103 at the trial.
>
> "The communist international makes it its duty to support with all the power at its disposal every soviet republic wherever it may be found. . . ."

Russia is asking for the same civil rights and freedom for all citizens of the world, because she is ready to support every republic wherever it may be found under the role of the communist workers.

> Only a violent defeat of the bourgeoisie, the confiscation of its property, the annihilation of the entire bourgeois governmental apparatus, parliamentary, judicial, military, bureaucratic, administrative, municipal, etc. . . .

You are ready to give more civil rights and more freedom to those who want to do all this to your free institutions? You are asking that they be given more freedom? I do not understand how anyone can ask that such people be given more freedom.

It was in the name of civil rights and freedom that the French people had La Déclaration des Droits de l'Homme in 1789. What happened in France after that? There were a few revolutions. There was one in 1848 and another in 1871. Do you think, Mr. Speaker, that the chiefs of government in France, who were radical socialists with a tinge of communism, though they did not confess it frankly, who passed laws to deprive a few million Frenchmen of their religious teachers, were not in favour of greater freedom and civil rights for themselves? They were in favour of more human rights and more freedom.

In 1901 they re-enacted another law which had been repealed before the fall of Napoleon III. In 1901, under the socialist premier Waldeck-Rousseau, after that law had been re-enacted by the French parliament, the religious teachers and institutions of France were penalized. Do you want to give people of that kind, the people who were ready to do that sort of thing, greater freedom in this country? In the name of civil rights and freedom, do you want to give them the power which they will inevitably obtain if we continue extending more and more freedom to them in their evil-doing? Do you want to give such people freedom to do in this country, if possible, more than they did in France?

We cannot do that. We must keep wide awake. My hon. friends have read "Speaking Frankly", by Byrnes, on the international situation, and those who have read it know what is going on. To those who will take the trouble to read serious writers or, I would say, even to read communist writers, I commend a book prefaced by Senator Pepper, entitled "Great Conspiracy against Russia", a copy of which was sent to me by a communist of Montreal. They will read in that book what organizations like the NKVD would do in this country.

What happened in that organization? They killed each other simply to retain power. They are doing precisely what Stalin did in the name of civil rights and greater freedom, when he had three trials against Zinoviev and Kamenev, with Vishinsky acting as attorney general. As a result of those trials where were the victims sent? Everyone here can give the answer to that question. Is that the situation we wish to develop in this country by giving greater freedom and more civil rights to people who are coming here, presumably to become good Canadians, but who are really waiting for an opportunity to break our back, if war should break out with Russia? That is the real situation.

I do not mind if there is laughter at this. I know I am right. I know that we have not been sufficiently afraid of the danger that lies right ahead of us, and it is about time we stopped these people. It is about time we stopped asking parliament to give them greater freedom to kill us.

When I was a student in the Catholic seminary of Quebec I read the speeches delivered in the Senate of Rome by the great Cicero to Catiline, public enemy No. 1. He must have been the Tim Buck of that time. Cicero said to him: "When, O Catiline, do you mean to cease abusing our patience? How long is that madness of yours still to mock us?" I am asking that very question of every man in this country, whether he is Canadian born or foreign born, or whether he is a communist. How long? I know it will be for a long time, because this institution of communism is more than a political party. They make a wrong use of the freedom they have been given, and which they gladly received when they came to Canada. If they do not understand the kind of freedom we have, which is real; if they do not understand and cannot appreciate the real freedom they are enjoying here, then I say, let them go back home and leave us to make this Canada of ours a great country. It is already a great country, but what we wish above all else is national unity. We want the freedom that we have been enjoying, even if sometimes there is what we call in French *un petit accroc.*

We have attained this freedom for ourselves and we do not want to have these people destroy it just to obtain a greater advantage for themselves in organizing their evil workers. And when I say workers I mean communist workers on every step of the social ladder.

I ask these people to think as Canadians. If they cannot, it is most unfortunate, because we are Canadians. And to those who, I repeat, are sincerely asking for more civil rights and freedom for these people, both on international and on national grounds, I say, be careful not to give equal freedom to evil theories and to good theories. They have no right to act so that their acts will destroy this democracy of ours, because I believe in democracy.

I want to finish my remarks, Mr. Speaker, by these words that you must have heard when Frenchmen sing their national anthem, La Marseillaise: "Liberté, Liberté chérie". We enjoy it here and, however, important he may be, we do not want anyone to destroy it. We are going to fight it out to the end and we are going to keep it in spite of everything.

Amendment agreed to.

Mr. DEPUTY SPEAKER: Shall the motion as amended carry?

Right Hon. J. L. ILSLEY (Minister of Justice): Perhaps I should say a few words, Mr. Speaker—

Mr. DEPUTY SPEAKER: If the hon. member speaks now, he will close the debate.

Some hon. MEMBERS: Go ahead.

Mr. ILSLEY: Perhaps I should say a few words before the motion passes. The hon. member for Muskoka-Ontario (Mr. Macdonnell) asked me to express my opinion as to whether this thing is any good at all. He said, as reported at page 2881 of *Hansard*:

> . . . I think we are at least entitled to hear from the Minister of Justice whether he thinks it is a good thing.

Earlier he said:

> I think we are entitled to know from the Minister of Justice, who is a serious man, whether this thing means anything.

He was talking about the international bill of rights, not the proposal for a national bill of rights, so-called, about which I shall have something to say before I finish. I thank the hon. gentleman for the confidence he reposes in my judgment but I myself feel that my judgment is not particularly good on this matter. As he asked a serious question, however, I think perhaps I should undertake a serious reply.

I am of the opinion that the insertion in the charter of the united nations of the articles referring to human rights and fundamental freedoms served a useful purpose. Article 13 of the charter provides:

> 1. The general assembly shall initiate studies and make recommendations for the purpose of:
> b. promoting international co-operation in the economic, social, cultural, educational and health fields, and assisting in the realization of human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.

Before the war and during the war, peoples in many parts of the world had terrible experiences as the result of the violation of human

rights and fundamental freedoms. One now needs only to think of what went on in nazi Germany and in other countries to realize the force of what I am saying. Certainly this objective—the promotion of international co-operation for the realization of human rights and fundamental freedoms—is a high, noble and worthwhile one. The very insertion of these articles in the charter of the united nations I think has caused the governments and the peoples of the world to look critically at themselves with a view to seeing whether their own laws, the administration of their own laws, their own customs, their own practices, violate, in any substantial way at least, human rights and fundamental freedoms.

Pursuant to that article it was deemed necessary to set up a commission on human rights and to undertake this measure, the drafting of what has been called an international bill of rights. As the hon. member for Muskoka-Ontario said, this is a task of enormous difficulty. It is a task that will not soon be completed. A draft bill of rights has been submitted to the countries of the world for their comments. This draft bill of rights, as I said in moving this resolution, consists of three parts: a draft declaration of human rights, a draft covenant of human rights and measures of implementation. I have no doubt that, before any agreement is arrived at, many changes will be made in this international bill of rights. There will be many exceptions, many qualifications, many provisos and many escape clauses. The prospect is a somewhat formidable one, but I believe that not only are we committed by our signature to the charter of the united nations but that the task itself will be a worthwhile one which I hope—and I cannot do any more than hope—will come to something after a very considerable length of time.

We were criticized by the hon. member for Muskoka-Ontario for not moving more rapidly since January. We were criticized, I think, by the hon. member for Lake Centre (Mr. Diefenbaker) for not assuming responsibility as a government for making comments and suggestions to the united nations on the draft bill of rights. In the British House of Commons the speakers who dealt with this urged not haste but deliberation. I do not think that there was so much hurry about this matter that leaving it until it could be placed before a committee of parliament, and before parliament, before the government made their comments and observations, in any real sense prejudiced the objective which we hope will eventually be attained.

I have been speaking about the international bill of rights. I have not been talking in a tone of undue optimism or enthusiasm, as hon. gentlemen will know. But I am responding sincerely to the invitation given by the hon. member for Muskoka-Ontario to express my opinion as to whether it is a good thing or whether we are justified in spending our time thinking about it. I think we are. I think we are justified in doing so.

Mr. BLACKMORE: Will the minister speak a little more loudly?

Mr. ILSLEY: All right. With regard to the proposal which interests a few members of the house more than the international bill of rights—that is, the national bill of rights that has been suggested—I should like to say just a few words. The proposals in this debate have been not that our constitution be amended so that the provinces and the dominion would both have the field of their activities in the realm of civil rights curtailed; the proposal has been that we enact a dominion statute. I should like to follow the implications of that. That statute, of course, would not impose any restraint, except moral, upon future parliaments or future sessions of the same parliament. That is, this parliament could pass a statute the following year or any year thereafter which did not comply with the statute defining the human rights and fundamental freedoms which must not be infringed. On the other hand, to the extent that statute might be valid, to the extent that statute would be within the limit of our constitutional authority, it would impose restraint upon the provinces; and the point I was trying to make clear in my opening remarks was that we should be very careful not to stir up a provincial rights controversy over this matter unless we are very sure of our ground.

It seemed to be assumed by the hon. member for Lake Centre (Mr. Diefenbaker) that we should find out by a reference to the court how far we could go, and go that far. I do not think that is obvious by any means. I think when a curtailment of rights heretofore exercised by provinces in certain fields is attempted there is a little higher duty imposed upon the dominion parliament than to find out just how far it can go and go that far. I think they must have some regard to the traditions, the history, the feelings and the beliefs of the provinces as to what their powers are. The hon. member for Lake Centre says he does not want to invade any provincial fields; yet later in his remarks he accused the government of trying to centralize authority here. Well, no one wants to invade any provincial fields, and as far as we know we have never done so.

What are we being accused of? Not that we have invaded provincial fields or done anything illegally. We have been accused by the hon. member for Lake Centre consistently and persistently of having acted not illegally but improperly, in trying to centralize authority in this parliament and in this government. That is what we have been accused of. We do not want to act improperly.

Mr. DIEFENBAKER: If you have learned that lesson we have gone a long way.

Mr. ILSLEY: Well, Mr. Speaker, I do not want to get into too much of a controversy here, but you know it is a little hard to listen to my hon. friend protest his desire to be non-political and non-partisan, while at the same time, in a non-political and non-partisan speech, he makes a remark like this, which is found at page 2860 of *Hansard* for April 12:

When I observe the actions of some of the ministers in the cabinet I ask myself if these men are engaged in a competition among themselves for absolute power. Some show a greed for power. Some show that they are afflicted with the violence of unrestrained authority outside the law.

Parliamentary rules do not permit me to characterize that statement as I should like to do. I have sat in this government since 1935, and I have never sat with a colleague who had a greed for power, or who was afflicted with the violence of unrestrained authority outside the law, or who was in competition with another minister for power. What we did during the war and what we are doing now was and is done out of a sense of duty to the Canadian people. We are bringing everything before parliament in so far as it is possible to bring things before parliament, having in mind the emergent situations that arise. We have laughed off this idea that we are a group of little tyrants trying to monopolize power, trying to centre power in ourselves, greedy for power, and so on. We have laughed it off year after year, and perhaps we should laugh it off still. I do not think very many people believe it; but this is the kind of accusation the hon. member for Lake Centre has, I think, talked himself into believing. I want to say to my hon. friend, do not become inebriated with the exuberance of your own verbosity. Get away from this sophomoric invective. Get away from this adolescent abuse. Be mature in your criticism of the government. I am saying that to my hon. friend through you, Mr. Speaker. The government certainly is not perfect; the government makes mistakes, but do not get down to this *ad hominem* abuse and accuse us of being greedy for power, of competing with one another for power or of trying to centre power in ourselves for the sake of power, because there is nothing in it and members of this house, outside the hon. member for Lake Centre, do not believe it in their hearts, nor do the people of the country.

Mr. KNOWLES: There is no abuse as between the Liberals and Tories out in Saskatchewan. They are working together very well out there.

Mr. ILSLEY: Never mind. Then in his speech my hon. friend had some new suggestions to make, all of which will be given consideration. I remember that last year two of the prominent features of his speech were, first, that the War Measures Act should be repealed, and, second, a scathing criticism of the spy probe. He has not repeated those this year. Why? Would it be that the political atmosphere, the atmosphere of public opinion in the country, is not too favourable to a repetition of those points this year? Instead the hon. member offers new suggestions, such as the setting up of a civil rights division in the Department of Justice. I do not want to condemn that out of hand. They have a civil rights division in the department of justice in the United States, and of course that is what the hon. member had in mind. He suggested that it would be a reservoir, a place to which Canadians could go with their complaints; whereupon, naturally, those in charge of the civil rights division or the Minister of Justice would immediately intervene; would write to the provinces, I suppose, and say, "What are you trying to do with this kind of legislation?" I can see all sorts of friction and controversy arising from that suggestion; I can see many objections to it; but, like the other suggestions, it can be given consideration.

When we set up this committee we shall consider what we ought to do and how far we ought to go with regard to this national bill of rights, so-called; and by the amendment which has just been adopted the committee is empowered to recommend that the government can have the assistance of the court if they wish. In this debate we seem to have thought that it is a simple thing to draft abstract general questions as to how far we can go, and put them to the Supreme Court of Canada. The supreme court will refuse to write essays in answer to abstract questions. Moreover those answers will have no binding force of law; they will not be final or conclusive. And it is going to take a considerable degree of skill, I may say, on the part of the members of the committee to frame any questions which will be appropriate to put to the court. I hope eloquence in debate in this house will be converted into diligent action in the committee, because I can see

that the committee will have before it a task which it will be hard to discharge.

Mr. KNOWLES: The power given to the committee is also to draft the bill.

Mr. ILSLEY: When my hon. friend gets to drafting a bill of rights I think he will have to desist from quite so active participation in debates in the house.

I want to say a word or two about one remark made by the hon. member for Spadina (Mr. Croll). The hon. member made a statement with which I disagree, and I wish simply to state my disagreement without giving my reasons. He said:

> There are amongst us many minorities, racial, religious, economic and political minorities, who are profoundly upset at the present state of freedom in Canada. They see a growing spirit of intolerance manifesting itself in not just isolated cases here and there, but in mass action against whole groups.

I just wish to say that I think a better case can be made for the proposition that we are becoming more tolerant in Canada than for the proposition that we are becoming more intolerant. And without going into this matter any further, and prolonging the debate, I should just like to say there is a great deal of truth in what was said by the hon. member for Macleod (Mr. Hansell) when, in closing his remarks, he said:

> You can write these things into a constitution, but putting them on paper and making them law does not preserve them. They are principles of life, and they operate as an organism operates; as life operates. This government is not going to take them from us; perhaps no one in this house is going to take them from us. If you want to write them into law, all right; but that does not preserve them and it does not give them to us.

I think we ought to quit talking as if this were a country of tyranny and despotism, where people are deprived of their liberties. This is one of the freest countries in the world. Someone has talked about our embarrassment before the united nations by reason of certain laws and regulations we have in this country. We have not any cause for embarrassment in the united nations. One does not wish to make invidious comparisons between this and other countries. But take almost any country in the world you like, and you will have a country where there is far greater and far more infraction of personal liberties, human rights and fundamental freedoms than in this Dominion of Canada.

Why is that so? Because, just as the hon. member for Macleod has said, these principles are principles of life. They operate as an organism operates, as life operates.

Those are the only observations I wish to make.

Motion (Mr. Ilsley) as amended agreed to.

EXPORT AND IMPORT PERMITS

AMENDMENT TO PROVIDE PENALTY FOR FURNISHING FALSE OR MISLEADING INFORMATION

On the order:

House again in committee of the whole on Bill No. 138 intituled: "An act to amend the Export and Import Permits Act.—The Minister of Trade and Commerce.

Mr. G. J. McILRAITH (Parliamentary Assistant to the Minister of Trade and Commerce): Mr. Speaker, when Bill No. 138, to amend the Export and Import Permits Act was before the house for second reading on April 8, amendments to the bill were indicated. Those amendments are set out in full at page 2769 of *Hansard* of that date.

Because of the nature and extent of the amendments proposed, some question was raised as to the regularity of the proceedings. That question as to the regularity of the proceedings is one upon which there could perhaps be considerable discussion. There seems to be very little doubt, however, that any question concerning regularity of procedure can be settled by an instruction to the committee. With the unanimous consent of the house, I would now move such an instruction.

Mr. DEPUTY SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Agreed.

Mr. McILRAITH: I move:

That it be an instruction to the committee of the whole that they have power to amend Bill No. 138 (Letter U3 of the senate) as follows:

That clause one of the bill be deleted and the following clauses substituted therefor:

"1. Section three of the Export and Import Permits Act, chapter seventeen of the Statutes of 1947, is amended by adding thereto the following subsection:

(2) The governor in council may by order, which shall be published in the *Canada Gazette* within fifteen days after the passing of such order, establish a list of countries to which section five of this act shall apply, and such list may be amended by the governor in council by order so published.

2. Section five of the said act is repealed and the following substituted therefor:

'5. No person shall export or attempt to export from Canada any goods included in a list established pursuant to subsection one of section three of this act, or any goods to a country named in a list established pursuant to subsection two of such section, except under the authority of and in accordance with a permit issued under this act.'

3. The said act is further amended by adding thereto, immediately after section six thereof, the following section:

'6A. No person shall, in any application for a permit under this act or for the purpose of procuring the issue of any permit under this act, wilfully furnish any false or misleading information or knowingly make any misrepresentation.'

4. Section seven of the said act is repealed and the following substituted therefor:

'7. The minister, or any person designated by the minister, may issue to any person applying therefor a permit to export from Canada, to such place and in such quantity and of such quality as may be specified in the permit, any of the goods included in a list established pursuant to subsection one of section three of this act or any goods to a country named in a list established pursuant to subsection two of such section and may amend, suspend or cancel any such permit'."

2. That clause two of the bill be renumbered as clause five.

Mr. J. M. MACDONNELL (Muskoka-Ontario): Mr. Speaker, I should like to make a few comments on this motion. When the minister introduced it the other night he told us, and I think properly so, that the real change being made was to be able not merely to control commodities, as the act formerly authorized, but to control destinations.

The minister made some interesting remarks indicating just why that required to be done. However I wish to read some of the remarks. I should like to carry the mind of the house back, for a minute, to the real gist of the original control, and then I want to point out what a tremendous additional power this is. It is not small; it is a great power, and we should not take it lighly. I believe we should make sure that everything has been considered before we go so far as this goes.

I should like to recall one or two things which took place at the time of the passage of the original act. It was made clear then, and I think to the satisfaction of all concerned, that there were certain commodities —I believe steel was one of them—which, because of their shortage, needed certain controls. I recall very well the illustrations given to us as to the way in which the control operated.

There would be various manufacturers in Canada competing for steel. There was not enough steel to go around, and the available quantity had to be allocated so that each manufacturer would get his required amount. It was made clear to us by competent civil servants that this had gone to considerable lengths—and I am not criticizing them; I am only stating what we were told—that the minister's department had had to go to considerable lengths in discriminating not merely as to quantities but as to the claims of one industry against another.

[Mr. McIlraith.]

One of the illustrations given to us was of a certain industry which was manufacturing here for export, which was considered probably in the nature of a war baby, and which was manufacturing something that had formerly been manufactured chiefly in Holland. It was not thought that industry was likely to be able to continue against foreign competition as time went on, and so it was considered less worthy of receiving steel than an industry in a different line of business which it was thought could continue. I mention that to make this point. It was clear that, just as soon as this power to control imports and exports was given, a wide field would be opened where the authorities had to begin to decide whether this business or that was most entitled. That legislation was passed a year ago. Now the minister comes back and asks for power, as he puts it, to control destination, and he has related that to the coming into effect of the Marshall plan. I should like to repeat briefly what the minister said. His words were:

It is apparent that the continuing world shortages, and the intensified demands that can be expected once funds are available to European countries will entail in Canada as in the United States, the need for directing supplies to those countries whose requirements are most urgent, and in such quantities as to ensure equitable distribution.

One paragraph more I want to read:

I think the committee will agree that in the early rehabilitation of Europe and the United Kingdom lies one bright hope for world peace. It is important therefore, that every shipment we send to European shores contributes directly to this purpose. There is need, however, for machinery to implement this objective, and this amendment, I believe, meets this requirement.

The thing that perplexes me as I think this over is this. I can see that there has to be some correlation, some over-all arrangement, so that the available supplies are sensibly distributed where they are needed. I ask the minister whether there is to be a combined plan in Europe whereby the European nations will agree among themselves as to the allocation of the materials available, or whether there is to be, as I saw suggested, some kind of queue in Washington of the European nations who are beneficiaries under the plan, coming there and presenting their claims and leaving the matter to be more or less haggled out. I go on to make a further point.

Mr. HOWE: May I interrupt my hon. friend for a moment. He has asked me questions with the Speaker in the chair. Is there any objection to going into committee and putting the questions there? This is just a motion to consider instructions.

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

Motion (Mr. McIlraith) agreed to.

The house resumed from Thursday, April 8, consideration in committee of Bill No. 138 to amend the Export and Import Permits Act —Mr. Howe—Mr. Macdonald (Brantford City) in the chair.

The CHAIRMAN: The minister has an amendment to be moved.

Mr. McCANN: I move, Mr. Chairman:

That clause one of the bill be deleted and the following clauses substituted therefor:

"1. Section three of the Export and Import Permits Act, chapter seventeen of the statutes of 1947, is amended by adding thereto the following subsection:

'(2) The governor in council may by order, which shall be published in the *Canada Gazette* within fifteen days after the passing of such order, establish a list of countries to which section five of this act shall apply, and such list may be amended by the governor in council by order so published.'

2. Section five of the said act is repealed and the following substituted therefor:

'5. No person shall export or attempt to export from Canada any goods included in a list established pursuant to subsection one of section three of this act, or any goods to a country named in a list established pursuant to subsection two of such section, except under the authority of and in accordance with a permit issued under this act.'

3. The said act is further amended by adding thereto, immediately after section six thereof, the following section:

'6A. No person shall, in any application for a permit under this act or for the purpose of procuring the issue of any permit under this act, wilfully furnish any false or misleading information or knowingly make any misrepresentation.'

4. Section seven of the said act is repealed and the following substituted therefor:

'7. The minister, or any person designated by the minister, may issue to any person applying therefor a permit to export from Canada, to such place and in such quantity and of such quality as may be specified in the permit, any of the goods included in a list established pursuant to subsection one of section three of this act or any goods to a country named in a list established pursuant to subsection two of such section and may amend, suspend or cancel any such permit.'"

2. That clause two of the bill be renumbered as clause five.

Mr. MACDONNELL (Muskoka-Ontario): The question I was asking was this, whether the European nations who are to be beneficiaries under the Marshall plan are going to arrange the distribution, or is there to be a queue of them at Washington? What bothers me is this. The minister said in effect that in order to make this thing work there must be co-ordination between the United States and Canada as the main suppliers, so that there will be a working arrangement as to how the goods are to be sent. That is no doubt true, but what is not clear to me is why this power, and it is a tremendous power, is needed for that purpose. Perhaps I had better stop my question there and let the minister explain, because what bothers me is that this, as I see it, really puts an end to private trading in this country in respect of a wide range of commodities. We are not told now what the commodities are, but I have before me the report of the board for last year, which covers quite a range of commodities. Nor are we told which countries are to receive these goods. I would ask the minister, with his knowledge of private business, which we all know is great, to explain just where the private individual stands. Just what does this mean? Does it mean that the private firm may just as well forget any connections it has in any of the countries designated? Incidentally I would ask the minister to give us an idea whether the number of countries designated is likely to be small or very large.

I repeat, this should not be regarded as a small or incidental power, but as a very great and far-reaching power.

Mr. HOWE: To answer the last question first, there are at present sixteen countries on the committee of European economic co-operation qualified to receive ERP aid.

Mr. MACDONNELL (Muskoka-Ontario): Does that include any countries beyond the iron curtain?

Mr. HOWE: No.

Mr. MACDONNELL (Muskoka-Ontario): Roughly it includes all those west of the iron curtain?

Mr. HOWE: Yes, except Spain. That is the situation. My hon. friend has asked whether the countries are coming to Washington to ask for goods, or whether allocations will be made in England and filled from Washington. That is a very difficult question which has not yet been decided. I am just awaiting word from Washington to go there to discuss the matter. I have been invited to be there at the appropriate time, which I assume will be within the next week or so. Private trading is very much restricted in any event in view of the credit risks and exchange difficulties in the sixteen countries we are now discussing.

Mr. MACDONNELL (Muskoka-Ontario): But you are going to ensure this and make it possible for them to get the goods?

Mr. HOWE: There will still be a little difficulty about money. Practically every

transaction is cleared through the department of commerce. There are very few entrepreneurs operating today.

Mr. MACDONNELL (Muskoka-Ontario): When the minister said that practically every transaction was cleared through the department of commerce, did he mean the Department of Trade and Commerce in Canada or the United States department?

Mr. HOWE: In Canada. We have had difficulty over the years in stopping exports to certain countries; for example machinery to Czechoslovakia. We have had no means of doing that unless we pass specific legislation. There is the additional point that if we join with the United States in certain commitments under the European recovery program we do want to have the power to make sure that private enterprise does not divert to other countries material that we have sold to or committed to ERP. We may never use it. It is not likely that that will happen, because I think private enterprise is, on the whole, just as anxious to co-operate with the government in ERP as it was to co-operate with the government in the war. Nevertheless it is a solemn matter to make a commitment with another country, and we wish to make sure that if the commitment is made the commitment will be carried out.

Mr. MACDONNELL (Muskoka-Ontario): Did I understand that the minister from day to day has knowledge of the commitments to be made by private individuals to foreign countries? Is that what I understood the minister to say a moment ago?

Mr. HOWE: Well, under the present law if it is commodities they must come to the department and get an export permit in order to export goods to almost any country.

Mr. MACDONNELL (Muskoka-Ontario): Therefore the minister does know.

Mr. HOWE: We know, yes.

Mr. COLDWELL: These permits will be issued in conformity with the plan of supplying to ERP.

Mr. HOWE: If this amendment carries. Today we have no right to refuse a permit on the basis of the country. The only basis for refusing a permit is that Canada requires the material in Canada for national reasons. In other words, if we have surplus material the export permit issues automatically today, because we have the right under the present bill to direct the supply of commodities, but we have no right to direct materials to be exported to one country and withheld from another.

[Mr. Howe.]

Mr. COLDWELL: It is not so much a matter of withholding them or being able to control exports so that supplies will not go to a country you do not like.

Mr. HOWE: No.

Mr. COLDWELL: As I understand it, this is a bill to ensure that supplies do go to countries to which we are obligated to send them.

Mr. HOWE: That is it exactly.

Mr. MACDONNELL (Muskoka-Ontario): I do not see the risk. If the minister does not know what goods are already committed to Luxembourg, let us say, and then commits himself to send a lot more and finds that there was a surplus and overlapping I cannot see that that would create a danger to be guarded against. But if in fact the department knows from day to day that goods of a certain type are already going to Luxembourg and knows the total amount required, it can then buy the additional amount itself and send them. The reason I am saying this is one which the minister will appreciate. It seems to me, whether you like it or not, that this is just saying to the private individual, there is no use in your doing anything; it is in the hands of the government. It seems to me that you are saying to the ordinary entrepreneur, the ordinary man, working hard to build up a business, Just go and roll your hoop. It is no use your showing the energy and initiative which we want you to show. Is that a fair way to put it? And if so, is it not a serious state of affairs?

Mr. HOWE: To me this gives very little additional power to control exports in any section of the world outside western Europe to which we are exporting and will continue to export. The point I make is this: if we join with the United States in ERP, it is very similar to joint supply projects during the war. At that time we had the power to direct material to the sources. War material was, of course, entirely in the hands of the government. We could direct it. But this is supply material; and if we go to Washington and a list is laid before us and we agree with the United States that we shall take care of a certain part of the list and they will take care of certain other parts of the list we become responsible for that supply. Well, without being able to regulate our exports by countries, a situation might arise where we could not supply it for the reason that the goods, if the transactions were entered into, were diverted to another country for probably private reasons or for some other reason over which we had no control.

Mr. MACDONNELL (Muskoka-Ontario): It seems to me that you are taking a steam hammer to crack a nut. I would have thought that the danger was remote, and not only remote but even if it did arise it would be trivial. The minister knows business in this country like the palm of his hand. He is in touch with people. I do not believe these dangers that he points out are serious. On the other hand, I think that to stifle initiative, which I think is what it is doing, is serious. The minister says that we have many other countries besides western Europe to whom to export. Nevertheless we rely greatly on western Europe.

There is one other thing that arises. As I understand it, we have no knowledge yet of exactly how the United States are going to work this out. If I understood the minister correctly, he said he expected to be called to Washington shortly to confer with the people there and to take the necessary steps. But now, in advance of that and, I submit, before the minister knows what powers he really needs, he is coming and asking for these very wide powers. He is not fooling in the powers he is asking for. The minister has had wide powers, and I do not hesitate to say that he has often exercised them very well. He made a remark a moment or two ago which I think is symptomatic of the trouble we are in now. He said, we had these powers or similar powers during the war. In effect he says we have them now. I admit that great emergencies still exist. My hon. friend to the left may very naturally approve this, as I expect he will. It is right down his alley. This is what he believes, and no one can criticize him for it; but to those of us who believe that initiative and private energy should be given as much scope as possible I confess I find it very disappointing to see another door being shut, and nothing that has been said convinces me that it is necessary.

Mr. HOWE: I suggest to my hon. friend that this is a free enterprise bill, and he is advocating for state buying. If the only way we can fill an ERP order is to buy the material in Canada and ship it ourselves that would be a move toward socialism. If we can control the export of free entrepreneurs through granting export permits, as we can do if this bill passes, it is in my humble opinion, greatly in the interests of free economy.

Mr. MACDONNELL (Muskoka-Ontario): I wonder whether the minister's answer is quite as perfect as it appears. I wonder whether I have been wrong in thinking that the minister, both the other night and a few minutes ago, suggested—certainly he did, if I did not misunderstand him—that there would be a great deal of government buying to fill these orders.

Mr. HOWE: I said I did not know.

Mr. MACDONNELL (Muskoka-Ontario): If I am wrong in that, then to that extent perhaps my question goes astray.

Mr. COLDWELL: May I just say a word? I am inclined to agree with the minister, as a matter of fact, that our present method of doing business in Canada, that is by what is called free enterprise, and the present methods that are being adopted to supply European nations to my mind—while I would prefer to see the government enter into negotiations and agreements for bulk sale and buying—does not do what my hon. friend says I would like it to do. I think the minister is right, that this does permit free enterprise a great deal of scope, and all you have is a permit system instead of a complete bulk sale to the nations that need the goods. That is my view, and it is a criticism perhaps that I might make of it.

Mr. CASE: I do not suppose we can all be right. It seems to me that the regulations will have to be fairly strict. It will mean a channeling of trade; it will mean, I fear, a danger of dampening or restricting the possibilities of production that you are seeking. We seem to be predicating our economy on the success of ERP. I regret that we have not foraged more for ourselves. In other words, what I would expect to result from this would be an economic dovetailing into the whole of the United States economy. It may be said that if they are putting up all the money they should say where the goods are to be obtained, who is to do the shipping, and so on. I am inclined to feel that the minister has left something to private enterprise, but it will be fairly closely regulated. Will this, then, mean that we are to be dove-tailed into the economy of the United States? If so, what shall we have left?

Mr. HOWE: My hon. friend is opening up a large subject. I have never found any objection to selling goods to the United States over a period of years, and I have never found it to be a method involving Canada or destroying her independence. That position will continue. As a matter of fact, this makes little change in the policy. We have a permanent system today and export a great variety of materials. The shipper must obtain an export permit. There is this additional power in issuing the permit, that we can regulate by countries as well as by commodities.

Mr. GREEN: Are all sixteen countries to be treated in the same way? Will the regulations applied to shipments to Great Britain be the same as those with respect to shipments to continental countries?

Mr. HOWE: Not necessarily. It depends on circumstances. As a matter of fact, we know no more about ERP than my hon. friend does. The regulations have not yet been framed and the director was appointed only some ten days ago. He has not yet obtained an office. I would ask my hon. friend not to press me for details on ERP because, frankly, I do not know them.

Mr. COLDWELL: Is it not a fact that the nations which are co-operating in ERP have made it plain that, while they expect to co-operate closely with the United States, they are expecting that the aid which is given is given on the distinct understanding that there will be no interference with their economies. The minister is going to Washington, and I should hope that when he is in Washington, instead of accepting directives from the United States, he will represent Canada in the capacity of a representative of a government which is a partner, a junior partner if you will, but nevertheless a partner and not a satellite in this particular arrangement.

Mr. HOWE: I can assure my hon. friend that when I go outside Canada I represent Canada.

Mr. GREEN: Will the minister explain how shipments of lumber from the Pacific coast will be affected by the new arrangements?

Mr. HOWE: I have not the faintest idea.

Mr. GREEN: Then why should the minister not wait until he gets a few ideas before asking for an amendment to the act? He is going to Washington in the next few days, and it might be wise to defer consideration of the amendment until he knows about the plan.

Mr. HOWE: The position is this. All lumber from Canada is being sold today. About 25 per cent of the export is going to the United Kingdom under an old contract, and the bulk of the rest goes to the United States. Whether that will continue I cannot say. In any event the permits are given with the present pattern of trading in mind. If the pattern of trading changes, the permits will be given in accordance with the change.

Mr. GREEN: Will the United States be able to say, for example, what percentage of the British Columbia lumber is to go to the United Kingdom?

[Mr. Howe.]

Mr. HOWE: Just what has the United States to do with timber in Canada? The United States will say what it wants. We shall decide what we shall do.

Mr. GREEN: They will have no voice with regard to the shipment of Canadian lumber to the United Kingdom?

Mr. HOWE: No.

Mr. GREEN: What is the minister's answer?

Mr. HOWE: No.

Mr. ROSS (St. Paul's): This has to do with import permits as well?

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): I was not able to read the full account of the report in the paper this morning, but the minister probably knows Mr. J. C. Patteson and he will know Mr. Patteson is a reliable man. Mr. Patteson says that trade between Canada and the United Kingdom is severely restricted. I suppose so. I quote from a press item reporting what Mr. Patteson said:

> He appealed for relaxation of some of the restrictions and controls, and warned that the situation today is more devastating than at any period in the history of the Canadian organization.

That is a strong statement. The item goes on:

> Canadian commercial interests, active in Britain, were in a parlous condition due to economic forces and the prevailing foreign exchange situation. Though there was a strong sentimental desire in Canada to buy British goods, such trade was severely restricted by controls. In some cases it was entirely excluded; in others there were token imports of 20 per cent.

That seems to me to be a strong statement coming from such a man. I asked the minister the other day whether he had had representations from Mr. Patteson himself. Has he had any representations from the chamber of commerce, and will he comment on the statement which Mr. Patteson has made? I do not think it can be taken lightly, because he would not have made the statement in that spirit.

Mr. HOWE: If my hon. friend will read that clipping more closely he will find that Mr. Patteson was talking about controls against Canadian goods entering England.

Mr. ROSS (St. Paul's): I do not think so.

Mr. HOWE: I read it carefully and I am sure that was what he was talking about. He was speaking in England.

Mr. ROSS (St. Paul's): But he was speaking for Canadian interests over there.

Mr. HOWE: I know Canadian interest in England is to get Canadian goods into England.

Mr. ROSS (St. Paul's): I happen to know of Canadian interests there who have been affected in Canada by not being able to bring things in. Perhaps he is talking about that, but I think it probably has something to do with this other matter as well. The minister says he knows nothing more about it?

Mr. MACDONNELL (Muskoka-Ontario): Let me read again what the minister said, as reported at page 2769 of *Hansard*:

> . . . in Canada as in the United States, the need for directing supplies to those countries whose requirements are most urgent.

I am referring to what the minister said, and I want to be clear. He said, as I understand, and I admit the words bear out what he said, that directing supplies does not imply government purchase of supplies. I want to ask him this question: Does he say now that there will not need to be government purchases of supplies to fulfil the requirements which we may find from the European countries? Does he say that?

Mr. HOWE: I would sincerely hope so, yes.

Mr. MACDONNELL (Muskoka-Ontario): That is different. We want to know as a matter of fact.

Mr. HOWE: As I have told the hon. member, we have never bought lumber. We have shipped lumber to England for years and have never bought it. It is bought in England by English buyers and shipped from here, and that is true of other commodities. I see no reason why, after all these years of the war and export restrictions, the government should suddenly go in and buy everything.

Mr. MACDONNELL (Muskoka-Ontario): I hope that is so, but you are stepping into a quite different situation from what you had then. I note that, whereas a few minutes ago the minister said there would not be government buying, now he says he hopes there will not. But that goes back to what the hon. member for Vancouver South said. Are we not getting off ahead of the gun? The minister told us he does not know what ERP involves and does not know what measures will be taken to work it out, and yet we now are being asked to pass measures on the basis of a situation which is still entirely obscure. I should have thought it more sensible to deal with the bill after he had been to Washington and found out what the score was.

Mr. HOWE: What we are asking for is a very minor and simple amendment. My hon. friend is building this up into a house of cards to a perfectly ridiculous extent, I suggest. He wants the assurance that we will not buy anything. We have never bought lumber; we have always bought wheat and I presume we shall continue to buy it. I sincerely hope we shall allow the trade to sell its own lumber, provided that it sells it in countries to which we have ERP commitments. Nothing could be simpler than that. If the hon. member goes down the list he will find that they fall into one classification or the other. The purpose of this bill is to make it unnecessary to change them from the one classification into the other. If they are commodities that the trade have been ordinarily selling direct, we would prefer, and this bill would so provide, that the trade should continue to sell direct, provided that they sell to countries to which we had a commitment. Surely nothing could be simpler than that.

Mr. MACDONNELL (Muskoka-Ontario): I admit that there is a great deal of force in that, but I still come back to this. The minister has told us that he has no idea exactly what measures will be taken in the United States in order to carry this out. Yet here we are now asked to pass a measure which is designed for the purpose of dove-tailing with the United States arrangement. That seems to be getting off ahead of the gun.

Mr. HOWE: The officers of the Department of Trade and Commerce are the people responsible for these transactions. They say they need this amendment. It is a simple amendment. It cannot possibly harm any legitimate interests that I can think of in Canada. Does my hon. friend seriously say he wants to tie up another day in parliament over this trifling amendment? Surely not.

Mr. MACDONNELL (Muskoka-Ontario): I do not say that.

Mr. ROSS (St. Paul's): The minister said he thought the things I was referring to were things which were being imported into Great Britain. I should like to draw his attention to the article I referred to when I first brought the matter up. The end of the article reads as follows:

> Though there was a strong sentimental desire in Canada to buy British goods, such trade was severely restricted by controls. In some cases it was entirely excluded; in others there were token imports of 20 per cent.

I myself know there are certain imports which are prohibited from coming into Canada from Great Britain. I cannot understand why that is done.

Mr. HOWE: There are no 20 per cent token imports.

Mr. ROSS (St. Paul's): There are prohibitions.

Mr. HOWE: There are no token imports so far as we in Canada are concerned. The token imports are United Kingdom imports. The hon. member reads a newspaper and he believes every line in it. But he will not believe me when I tell him that Canada never adopted a system of token imports.

Mr. ROSS (St. Paul's): The writer calls them token imports, and the minister knows as well as I do that there are some prohibitions of imports from Great Britain at the present time.

Mr. HOWE: Yes.

Mr. ROSS (St. Paul's): That comes under the act.

Mr. HOWE: Bill No. 3 which we passed some time ago.

Mr. ROSS (St. Paul's): They are prohibitions under the act. That is what he is talking about at the present time. There are some quotas as well. I asked the minister, in view of what is taking place and in view of what he says, if the government had taken this under consideration. The government said no, that trade was moving nicely. As a matter of fact, I do not think this man would say that if trade was moving nicely and everybody was satisfied with the situation. That is what I wanted to know. I am now going to ask the minister if he will not look into this matter and see if something can be done so that Great Britain will get more of our dollars.

Mr. GREEN: The minister has referred several times to commitments. Apparently there are to be commitments to supply certain goods to certain countries. How will those commitments be determined? Will that be done on the government level, or just how does industry come into that picture?

Mr. HOWE: I will be frank with the hon. member; I do not know. I have told the hon. member that before. I know very little about the machinery of ERP, because there is none at the moment.

Mr. GREEN: The minister has not any idea how the commitments would be arrived at?

Mr. HOWE: No.

Section 1 as amended agreed to.

Section 2 as amended, and title agreed to.

Bill as amended reported, and amendments read the second time and concurred in.

Mr. DEPUTY SPEAKER: When shall this bill be read the third time?

[Mr. Howe.]

Mr. GREEN: Next sitting of the house.

Mr. DEPUTY SPEAKER: Next sitting of the house.

EXPORT CREDITS INSURANCE ACT

AMENDMENT WITH RESPECT TO POWER TO ENTER INTO CONTRACTS

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved the second reading of Bill No. 197, to amend the Export Credits Insurance Act.

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

On section 1—Contracts approved by governor in council.

Mr. MACDONNELL (Muskoka-Ontario): The other night I asked the minister a question with reference to the position of private insurers, and he told me that there were practically no private insurers who wanted to engage in this kind of business because of the risks involved. That leads me to ask two questions. First of all, why is it that, in business taking place on this continent, there were some million dollars or more which were insured under this act? The second question I want to ask the minister is this. I have been trying to explore the question of the private underwriters, and I am afraid what he said is correct. I was disappointed to find the small extent apparently of international insurance on this continent. It has always been my understanding that London was one of the great centres of underwriting, that one of the great specialties of the London business world was the readiness to underwrite almost anything. It is hard for me to believe that there would be no underwriters ready to do this business in London. I wanted to ask the minister with regard to that point, and whether it is not possible that more trade could be given to them. After all, the great thing needed in London now is an opportunity to earn dollars.

Mr. HOWE: My understanding is that Lloyd's of London stopped this type of insurance; as a matter of fact, they have never done it at all. The British board of trade have been handling this type of insurance since 1920.

Mr. JACKMAN: What is the nature of the business, if this is pertinent to what we have under discussion, of the great London discount houses and the merchant bankers? I thought they purchased bills of exchange from such persons as foreign shippers or foreign buyers

and gave the man who presented the draft his cash. Is that not a recognized business over there? I always understood that it was.

Mr. HOWE: Yes. My hon. friend is talking about merchant banking. This is merchant insurance.

Mr. JACKMAN: Is there much difference? This is quite a different situation. The exporter to South America, let us say, presents his draft on the South American importer to a discount house in London. He gets his cash, because the discount house knows the credits in South America, or whatever country it is, and that is tantamount to financial insurance, where a bank gives you your credit in return for a premium. In all banking there is an element of financial insurance, a transfer of credit risk.

Mr. HOWE: What my hon. friend says is quite true, that the banker gets a paper which he will discount and give the cash for; but the purpose of this act is to ensure that the bank gets the paper.

Mr. JACKMAN: That seems hardly a complete answer to the question. Surely when the Canadian exporter ships the goods he must draw a draft on the foreign importer. It is not a question of getting the actual piece of paper. There can be no doubt about that, because it is no trouble for the importer to give the paper. The real risk is involved in getting cash in Canadian or United States dollars for the draft on the foreign importer.

Mr. HOWE: This is all business done through banks. Let us assume a transaction of which we have had several, where a South American country orders a ship built in Canada. If that country will deposit paper in advance to cover the full cost of the ship, there is no need for this insurance. But most ships are built on progress payments, so much when the keel is laid, so much when the ship is 25 per cent completed, and so on. Very often the builder wishes to get insurance to ensure that those progress payments will be made when they are due. That is insurance versus banking. My hon. friend is talking about banking and we are talking about insurance.

Mr. JACKMAN: But this is financial insurance, the minister says; this is insurance against the completion of a job, or construction insurance, with which the minister is familiar. That is purely financial insurance, to make certain the exporter will get his money. Is that not the chief or perhaps the sole purpose of this act?

Mr. HOWE: What other purpose has it?

Mr. JACKMAN: I do not know; I am asking the minister. I say it is purely financial insurance, to make certain that the exporter will get his money.

Mr. HOWE: That is right.

Mr. JACKMAN: As my colleague the hon. member for Muskoka-Ontario has said, are there not in this country and in Britain houses engaged in this type of finance? Are there not such houses in the old country, where they badly need the premiums and can render a service for them?

Mr. HOWE: No, neither in England nor here.

Mr. MACDONNELL (Muskoka-Ontario): I am bound to defer to what the minister says, I suppose, though it comes to me as a great surprise, for there is a saying that Lloyd's are ready to gamble on anything. Leaving that aside, however, I understand that the minister has said the board of trade in England has done this since 1920 on a commercial basis for British firms?

Mr. HOWE: That is right.

Mr. MACDONNELL (Muskoka-Ontario): Then why should they not get the business?

Mr. HOWE: The British board of trade only cover exports from the United Kingdom. They have never suggested they would like to cover exports from Canada; and they do not use the kind of money that is of much good to us.

Mr. MACDONNELL (Muskoka-Ontario): It seems to me that is rather begging the question. That, I take it, is another matter; let us set it aside for the moment. If there is any possibility of having this done on reasonable terms by the board of trade in London I consider it unfortunate that we do not give them the chance to do so. You may say, Why have a public body do it there rather than in Canada? I would feel there was a great deal to be said for giving them a chance, though I must admit that argument is not quite as strong as it would be in the case of private underwriters. Again I ask the minister to make absolutely sure of what he has stated, that is, that there are no private underwriters in London ready to do this business. I put it to him that if there is any uncertainty he should follow that up, because I cannot believe that if this business is available the exchange side of it cannot be taken care of.

Mr. HOWE: My experts assure me there is not a private firm in any part of the world doing that kind of business.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

WAR SERVICE GRANTS ACT

ABOLITION OF BOARD OF REVIEW

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the second reading of Bill No. 47, to amend the War Service Grants Act, 1944.

Mr. GREEN: Is the minister making a statement on this bill?

Mr. GREGG: Mr. Speaker, the War Service Grants Act provided for a board of five to review and examine the service records of those men classified as having been discharged from the forces with what is defined by the services as dishonourable discharge. It was intended that this board should see if there were any mitigating circumstances, in which case the board would have the power and would advocate payment of war service gratuity and the setting up of re-establishment credits.

The board began its work with the Department of Veterans Affairs in February, 1946, and up to February 29, 1948, completed a total of 7,879 cases. Of that number, 5,035 were given favourable decisions and 2,844 have been finally refused entitlement. Some 458 cases remain to be reviewed, and it is considered that this should not take very long. The department foresees a condition coming up shortly when it will be more economical and as satisfactory to establish a reviewing officer within the department to perform the few remaining functions formerly exercised by the board. It should be noted, I think, that, while this board has authority to interpret with respect to entitlement for re-establishment benefits, it had and has no right to change the record of a man's service. It merely considered each case with a view to advocating award of the gratuity or re-establishment credit.

At this time, with the approaching end of the work of the board, I should like to pay tribute to their approach to that work and the way in which they have executed a difficult task with understanding and humanity. I can assure the committee that from what I have seen of the work of the board its members have leaned backward to give the benefit of the doubt in all cases. In saying that, I think, too, one should say it is a tribute to our Canadian forces in this war when, after being sifted by an impartial group of their peers and equals, that small group of less than ·03 per cent have not been considered entitled to Canada's re-establishment benefits.

Mr. GREEN: Is it the intention that the present board will review all cases which remain undecided?

Mr. GREGG: Yes, that is the intention. I am prepared to meet the wishes of the committee as to whether or not this bill should be referred to the committee on veterans affairs.

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

On section 1—Abolition of board of review.

Mr. LENNARD: Are the rejections in the two thousand cases final, or would they be on hand if in the odd case an appeal were made?

Mr. GREGG: Those are final as at this date. It was thought that a member of the department would have under constant review any new evidence coming to light at any time.

Mr. GREEN: Has consideration been given to setting up within the department a board of officials of the department who would make these decisions, instead of leaving it to one person? The powers are wide and these are important questions. I doubt whether it would be wise to leave them to one man. Surely some of the senior officials in the department could be constituted a board to deal with the few cases which may come up from time to time. It would not be necessary to have them paid for that work; it would be just another job for them. I suggest that this would be more sensible than the present provision which gives to one man in the department the job of reviewing all these cases, and makes his word law. Surely it is not wise to give one man all that power. The amendment gets away from the judicial function. This one man will become the employee of the department whose job it is to go over these cases. My suggestion is that we should have a board acting as a judicial body.

Mr. GREGG: I agree in the main with what the hon. member says. As is shown in the bill, the board is still in existence. This is enabling authority to carry forward any further work when the main task of the board disappears.

In the preliminary discussions respecting the carrying-through technique to be applied afterwards, something along the lines suggested by the hon. member has been discussed. We will keep that situation in mind. In

other words, I can assure the committee that in the continuation of the work this official will be looked upon more as a person detailed to study cases, but that each case will come before the deputy minister and/or a committee created under him as the most effective means of carrying out the purpose of the bill.

Mr. GREEN: But that is not the way the section reads. The proposed amendment refers to abolishing the board of review and transferring its powers, duties and functions to an officer employed in the Department of Veterans Affairs, who shall be called the "Reviewing Officer, War Service Grants Act". This officer "shall exercise and perform such powers, duties and functions in accordance with rules of procedure to be made by the governor in council." In other words, the amendment gives this employee full power, and there is nowhere any suggestion that the deputy minister or any other senior officials are to review decisions of this "Reviewing Officer, War Service Grants Act".

Could not section 12B in the act be left as it now stands? It provides for the appointment of a board of review and also states that the members are to receive such remuneration as the governor in council may determine. The minister could set up a board of review composed of his senior officials. They need not be paid any remuneration for this work, because there would be very few cases. In this way we would have a judicial board. Under the proposed amendment, one employee in the department, in effect becomes the board, and has all the powers given by the act.

Mr. GREGG: I may be wrong, but I can see no reason why the objective sought by the hon. member could not be carried out, if this amendment were accepted.

Mr. GREEN: If the amendment passes, a veteran who has been deprived of his war service grant can appeal only to this officer; he cannot appeal to a board such as is described in the act.

The minister has intimated his intention to have some of the senior officers review the work of the reviewing officer. If that is so, then surely this amendment is superfluous. The proper procedure would be to appoint a board composed of senior officials with authority to do the reviewing. The preliminary work could be done by an employee of the board, but the final decision would be made by the senior officials.

I am certain that that is what the veterans would prefer, namely, to have the final decision made by a board rather than by one man. Would the minister be willing to consider this during the supper recess with his officials?

Mr. GREGG: I shall do that.

Section stands.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CANADIAN VETERINARY MEDICAL ASSOCIATION

Mr. J. A. CHARLTON (Brant) moved the second reading of Bill No. 150, to incorporate the Canadian Veterinary Medical Association.

Some hon. MEMBERS: Explain.

Mr. CHARLTON: Mr. Speaker, I think very little explanation is needed. This bill is simply to incorporate into a national organization the various provincial veterinary medical associations if they so desire. The names of the presidents of all the provincial organizations are on the petition for this bill. It will not interfere at all with the rights of the provincial associations. I do not think I need read the objects of the association, which are set out in section 3 of the bill. I shall be glad to answer any questions.

Motion agreed to and bill read the second time.

NATIONAL INSURANCE COMPANY

Mr. EDOUARD RINFRET (Outremont) moved the second reading of Bill No. 151, to incorporate the National Insurance Company.

Mr. KNOWLES: Is the hon. member not going to explain the bill?

Mr. RINFRET: It is a very simple bill to incorporate the company, and with power under section 8 to acquire a French company named La Nationale Compagnie Anonyme d'Assurance contre l'Incendie et les Explosions. The bill is along the same lines as those incorporating two other companies last year.

Motion agreed to and bill read the second time.

Mr. Rinfret moved that the bill be referred to the standing committee on banking and commerce.

Mr. T. L. CHURCH (Broadview): Mr. Speaker—

Mr. DEPUTY SPEAKER: The motion to refer the bill is not debatable. I thought I gave the hon. member ample time to discuss the bill on second reading.

Mr. GREEN: On a point of order, Mr. Speaker, the hon. member for Broadview did not hear the bill called for second reading, and I submit that he should be allowed to make a statement.

Mr. CHURCH: I wished to speak on the second reading, Mr. Speaker. I shall take only about two minutes.

Mr. DEPUTY SPEAKER: Under the circumstances, since the hon. member did not hear what I said owing to some noise in the chamber, I think he should be allowed to speak.

Mr. CHURCH: Thank you, Mr. Speaker. Why do these bills from the senate always have the same movers in this house? One hon. member has several bills in his name. I object to the procedure with respect to these private bills. They are introduced in the senate and, after little or no discussion there, they are sent over here. It is becoming a racket if you ask me. I have followed these proceedings for the last month. The bill is introduced and read the first and second times in the senate, with hardly anybody there, and there is no discussion. Once in a while a bill is sent to a committee, where the whole discussion occupies only three or four lines, and then the bill is sent over here. The bill should be introduced here where the people's representatives are.

The present procedure is a farce and a racket. What discussion is there upon the second reading of the bill? How many of these insurance companies have we? Has the superintendent of insurance reported on this bill? I can find no discussion at all on the bill. Talk about the reform of the senate; they are here today and away tomorrow! They are on holidays now. We know nothing about these bills.

The committee system of this house might as well be abolished. I do not wish to reflect on the mover of the bill because he is an honoured member. I have a copy of the bill here, and I must say that I cannot understand why it was not introduced in the House of Commons where sit the representatives of the different constituencies, not only in the province of Quebec for which I have a great respect, but in the whole of Canada. Where is the report of the superintendent of insurance on this bill?

The company is being given power to transsact fire insurance, accident insurance, aircraft insurance, automobile insurance, boiler insurance, credit insurance, and so forth. We have had a dozen of these bills in the last few years. There are too many of them. The company can also transact earthquake insurance, explosion insurance, livestock insurance, marine insurance, personal property insurance and many other things. I proposed three years ago that we should have a body similar to the board of transport commissioners to look after these fire and life insurance companies and many others. There was an investigation made into these companies in 1929 or 1930. Many of them could not qualify for a certificate under the law. Many of them are purely provincial companies, and they are taking advantage of the senate to introduce the bills over there. The thing is becoming a racket. That is what I called it three or four years ago. If this house is to be flooded with bills of this kind, we are on very dangerous ground. There are too many of these companies. They pile up. Later, by some merger they come in and get a charter and float it all around the country; then they come back, and sooner or later we find that it is gobbled up by some larger concern. If this is the way in which the House of Commons is conducting its business we are on very dangerous ground.

Mr. CLARENCE GILLIS (Cape Breton South): I am going to have a few words to say on this bill. I imagine that this is a dangerous field to get into. I agree with the hon. member for Broadview (Mr. Church) who has just taken his seat that the other place is beginning to initiate too much legislation. I notice that most of the bills which come from the other place deal with million dollar corporations. Without giving hon. members of this house, or a committee of this house, an opportunity to go over these bills and have some understanding of the intentions of the people who are sponsoring them, they are thrown at us at a moment's notice and we are obliged to make a decision on them. The first objection I have is that if the other place is to continue to initiate legislation of this kind some provision must be made for a committee of the House of Commons at least to scrutinize these bills before they come to this house.

I am glad to see that the hon. member for Broadview is about seventy-five per cent socialist when he suggests that if this field is still open some move should be made by the government to set up some supervisory machinery to give the government some control over it. This bill is all right; it is innocent-looking enough; the capitalization is not too great.

Mr. KNOWLES: Just a million dollars.

Mr. GILLIS: Yes, but when you have become accustomed to talking about billions during the war this seems like small change.

My second objection is this. There is enough protection in Canada today through similar organizations to this in the field that this particular company wishes to enter. There are enough insurance companies of this kind in Canada at the present time. It is time that the government did as they did in Saskatchewan and said that from now on we are going to set up government machinery so that we shall know something about the internal operations of these companies. It is time that we set up government competition with the privately owned companies that are today handling insurance.

Instead of setting up another new company and putting a lot of agents in the field selling insurance and collecting premiums and high-pressuring people into buying insurance, we should see that the men who would be engaged in that work be routed into some gainful occupation in this country. We talk about taxes and about social services and all that kind of thing. Often, when sitting here listening to hon. members I get the idea that some hon. members think there is a mysterious pool of wealth somewhere into which the government can reach its arm—

Some hon. MEMBERS: Oh, oh.

Mr. GILLIS: That kind of talk comes from the Liberal members and the Tory members. Read some of your election manifestoes and the promises you have made.

Mr. SINCLAIR: Talking subsidies.

Mr. GILLIS: That mysterious pool of wealth does not exist. It all comes out of production.

An hon. MEMBER: Of the worker.

Mr. GILLIS: Yes; he produces it all. I do not think it is necessary to put a few hundred more men into this insurance field, men who could be routed into some occupation in this country where they would contribute to that pool of wealth. To set up this kind of a company would be a waste of manpower and a duplication of machinery already existing. High-pressure salesmen and all that kind of thing are overdone in this country at the present time. I would suggest very respectfully through you, Mr. Speaker, to the hon. member who is piloting this bill through the house that he take this thing back, look it over and advise the other place that we think this field is adequately serviced at the present time. If, after an examination of the bill by the government, we find that it is necessary to set up any more organizations of this kind we will do it under government supervision so that the people of the country may have some protection.

Motion (Mr. Rinfret) agreed to on division.

THE CANADIAN ASSOCIATION OF OPTOMETRISTS

Mr. PAUL E. COTE (Verdun) moved the second reading of Bill No. 174, to incorporate the Canadian Association of Optometrists.

He said: Mr. Speaker, the principle underlying this bill is exactly the same as that of the Canadian Veterinary Medical Association which was read a second time a few moments ago. I may say that optometry is perhaps the youngest profession we have in Canada, since it has existed as a body only since the beginning of this century. The first incorporation that can be found in any provincial statute dates back to 1904. That was the statute which incorporated the Quebec Association of Optometrists. In 1909 by letters patent the Ontario association was incorporated. Since then, each and all of the provincial associations have become organized by provincial statute to regulate the admission to and the practice of optometry within their borders. In 1934 the nine provincial associations gathered together and decided to form a national body, and this is the bill to incorporate the optometrists of Canada in a national body under the name of the Canadian association of optometrists. I do not think there is much more that I can say at this time. It would be more in order to wait until the committee stage to give any particulars on the sections of the bill.

Mr. T. L. CHURCH (Broadview): Here is a bill which is not by the widest stretch of the imagination a federal bill or for the general advantage of Canada. This bill and the veterinary bill were objected to in the Ontario legislature for the reasons I have given. These bills were first introduced in another part of this building, and without any discussion they are sent over here. There was practically no discussion at all. As I said before, this is becoming a racket. That is exactly what it is. The House of Commons is ignored by it. If these people want to come here over the heads of the legislatures where they belong, with both the veterinary bill and the other one, I wish to object.

Why should we have a federal organization on veterinary affairs and on optometry? There is no necessity for it; there is no demand for it. Who is asking for this bill? What are the provinces that are asking for the Canadian association of optometrists? Not a province has asked for it. We are going very far afield

when the House of Commons is used, as it is, to consider bills such as these which are purely provincial matters, relating to provinces. Some of these bills will be attacked in the law courts. We have no power under section 91 of the British North America Act to incorporate such societies.

Look at this bill. It was passed by the senate on March 22. If you look at it you wlll find that there was no discussion at all. They just passed it the way they pass other bills over there. I can tell you something about that. There is a widespread public demand in this country today to do something about the other end of this institution of parliament. It is costing the country $600,000 a year, and what value we get out of it I do not know.

Mr. DEPUTY SPEAKER: Order. The hon. member must discuss the bill and not the other place.

Mr. CHURCH: I am speaking now, Mr. Speaker, on the bill itself, Bill No. C-5 of the senate. We may not be able to say anything about the other institution of parliament. They are here today and gone tomorrow. The way they are passing some of these bills is, however, becoming a racket. Look over this particular bill and what do you find? This is an act to incorporate an association that is a purely provincial body. Where does the medical profession come in under this bill? I venture to say I would not go to any of these people if I had eye trouble. We had large "I's" this afternoon in every bill we considered, large "C's", and so on. Here, however, they refer to the city of Winnipeg with a small "c" and the same in the case of Toronto.

I do not know what the principle of this bill is. The principle of a bill is in the title of the bill; it is in the preamble; it is in the marginal notes; it is in every section of the bill. The law courts so declare, and so do the textbooks. How, then, can one discuss the principle of a bill without reference to its individual provisions. Here is this bill referring to the city of Lethbridge, the city of Toronto, and the city of Montreal with a small "c".

Mr. DEPUTY SPEAKER: Order. I am afraid the hon. member is discussing the clauses of the bill and he should not do so at this time. He must confine his remarks to the principle of the bill.

Mr. CHURCH: Technically, sir, you are correct, but it seems to me to be a distinction without a difference. You will notice that there is a small "c" for the city of Montreal. That is my point. I would ask Your Honour

[Mr. Church.]

to look at the bill. You are a distinguished lawyer. Here they have "city of Winnipeg" and city is spelled with a small "c".

Mr. DEPUTY SPEAKER: I must insist that the hon. member confine his remarks to the principle of the bill. If he objects to certain clauses he can raise his objections at the proper time.

Mr. CHURCH: That may be so, Your Honour, but here we have the city of Toronto spelled with a small "c". That is what I object to.

Mr. DEPUTY SPEAKER: Order. I have informed the hon. member that he is out of order in discussing the sections of the bill at this time. Once more I would ask him to confine his remarks to the principle of the bill and to refrain from discussing the clauses.

Mr. CHURCH: Correct again, Your Honour. But I submit that a member of the House of Commons has a right to discuss any bill that comes before us and we cannot do so in the haphazard manner in which this bill is drawn up. I am referring to the preamble. They do not know grammar in another part of this building. A small "s" would be better for them. I should like to discuss the principle of the bill, but I am almost afraid to say anything about the bill at all, because I cannot discuss the principle. In fact, there is no principle in this bill. I have never seen a principle in any bill coming from the other end of the building. If you ask me, the bill is not within the purview of parliament. There is no demand for it. Has any university asked for it? No. If that is the way you want to pass the bill, very well, pass it.

Mr. F. E. LENNARD (Wentworth): Mr. Speaker, I do not agree at all with the hon. member for Broadview (Mr. Church). He said that this association had not been a success in any province, that no provincial organization of the kind had been a success. Let me tell him that, as far as the optometrists' association of Ontario is concerned, it has proved itself and is undoubtedly a success.

The hon. member said he would never go to an optometrist and he did not think anyone else in this house would. I have never gone to anyone but an optometrist, and I guarantee that over 50 per cent of the members of the house who wear glasses are also patrons of optometrists.

I am sick and tired of sitting here hour after hour listening to a lot of cheap talk, and that is the reason I do not get up oftener myself.

Some hon. MEMBERS: Oh, oh.

Mr. DEPUTY SPEAKER: Order. I would ask the hon. member not to reflect upon all the members of this house.

Mr. LENNARD: I have nothing more to say, Mr. Speaker, except to express my conviction that this is a good bill. It is for a good organization and it should not be held up any longer.

Motion agreed to and bill read the second time.

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Friday, April 9, consideration of the motion of Mr. Rinfret for the second reading of Bill No. 8, respecting the Bell Telephone Company of Canada.

Mr. WILLIAM BRYCE (Selkirk): Mr. Speaker, I wish to make a few remarks on this bill. My deskmate, who was speaking when the debate was adjourned last Friday, is unfortunately unable to be here tonight and I should like to continue for a few minutes what he really intended to say.

The first fact that strikes one on looking into this bill is the tremendous amount of money that is involved. I do not understand why so much money is needed. Perhaps one of the things that attracted my attention to the bill in the first place was the speech of the hon. member for Davenport (Mr. MacNicol) and the speech of the hon. member for Broadview (Mr. Church), men who have spent a lifetime in the public service and who, when it comes to transportation, hydro, communications, and even irrigation take second place to no one. I have been greatly impressed by what these hon. gentlemen had to say. The hon. member for Davenport told about the poor service they get in the city of Toronto.

The bill has been pretty well discussed. The hon. member for Cariboo (Mr. Irvine) pointed out the manner in which the company had divided up the shares, a thing that always creates suspicion in the minds of the rank and file when one sees a large company doing such a thing.

I do not understand why a bill like this, so important to the whole dominion, should not be brought in by the government instead of being left to be introduced by the hon. member for Outremont (Mr. Rinfret).

Mr. RINFRET: Because it is a private company.

Mr. BRYCE: The hon. member for Outremont has my sympathy in being asked to sponsor a bill like this one.

Mr. RINFRET: You mean that with your help it will be better?

Mr. GIBSON (Comox-Alberni): Do not feel sorry for a lawyer.

Mr. MacINNIS: Do not feel sorry for a person introducing a bill like this.

Mr. BRYCE: I was going to say, when I was interrupted by the independent member, that the bill should have been brought in by the government. I think that was the right and proper thing to do. When a company's capital is to be increased from $150,000,000 to $500,000,000, that is something which should be done on the floor of this house so that we can get into it. The C.C.F. brought in an amendment that would send the subject matter to the committee so that we could ask what the money was for, so that we could bring before the committee the people who are building the Bell Telephone Company today—the main people, the subscribers—and see if they are getting the service to which they are entitled.

Mr. RINFRET: That can be done in the railway committee.

Mr. KNOWLES: After the principle is adopted.

Mr. BRYCE: Yes, after the principle is adopted.

Mr. RINFRET: No. That is not so with a private bill.

Mr. BRYCE: Yes, it is.

Mr. RINFRET: No, it is not.

Mr. BRYCE: The hon. member has his views about this and I have mine. I am sorry he has this job to do. I am sorry for him.

Mr. GIBSON (Comox-Alberni): He is doing all right.

Mr. BRYCE: I have supported public ownership most of my life. I think the telephone system should be under public ownership, and the service should be given at cost because it is something that every individual can use. When you stop to figure this out, you find that power is to be given to a private company to bring its capitalization up to $500 million. By giving that power, you are only helping to build up a great private monopoly. No doubt the greatest weakness in the free enterprise system today is the tendency for private companies to grow into monopolies.

The Bell Telephone Company now has a capitalization of $150,000.

Mr. RINFRET: $150 million.

Mr. BRYCE: I get mixed up in this, Mr. Speaker, because I have never been accustomed to talking in figures like that. I understand that the Bell Telephone Company was started or incorporated in 1880. The capital allowed was $1,000,000 at that time. In 1884 the capitalization was raised to $2,000,000. In 1892 it was again raised to $5,000,000. In 1902 it was advanced to $10,000,000. In 1906 they were allowed to increase the capitalization to $30,000,000. In 1920 the capitalization was increased to $75,000,000 and, in 1929, to $150 million. Now we have this bill asking that the capital be increased to $500 million which seems to me to be out of all proportion. Had they asked for $100 million or something reasonable, it would be different. But when they ask for $500 million, I do not know what to make of it.

An hon. MEMBER: They might as well take over the national debt.

Mr. BRYCE: I should have liked to know what they are going to use that money for.

Mr. RINFRET: Let the bill go to the committee.

Mr. BRYCE: I have been thinking this matter over since it has been debated in the house. I wonder if this money is for the purpose of allowing them to by-pass the provincial telephones, in some way for the Bell Telephone Company to be able to dictate to the provincial governments in the prairie provinces? Had we been able to go to committee, I could ask that question. I cannot get any answer to it today. The hon. member who is sponsoring the bill does not say whether that is so or whether it is not. If that is the case, that the Bell Telephone Company is getting this money so as to put a direct line through the United States in order to by-pass the prairie provinces, it is a shame if this government or this parliament should give it authority to get that money.

Mr. RINFRET: I explained why it was. Read my speech.

Mr. BRYCE: I want to know if it is for that purpose.

Mr. RINFRET: Read my speech.

Mr. BRYCE: You tell me if it is for that purpose.

An hon. MEMBER: Answer the question.

Mr. DEPUTY SPEAKER: Order.

Mr. BRYCE: The hon. gentleman does not say whether it is or is not for that purpose, so I take it for granted that my suspicion is well founded.

[Mr. Rinfret.]

Mr. RINFRET: Mr. Speaker tells me not to answer.

Mr. BRYCE: A most reliable publication is Moody's. I looked up Moody's and the Lehigh railway operates 1,254 miles of railway track, the main line extending from New York to Buffalo. The last statement I could find in Moody's was that the capitalization was $170,000 per mile of track, which would give an over-all capitalization of $225 million. Most hon. members have seen that railway. They have a capitalization of only $225 million. Yet this company is asking for $500 million. Again I cannot help but regret that we have not had an opportunity to find out what this money is for. I think the telephone should be one of the public services, the same as our hydro and transportation lines. Businesses such as these should be run as a service, at cost, and should not be used for private gain. The telephone is a necessary service to the people and should be operated for the good of all. A bill like this asking for large sums of money for capital expansion should not be brought in by a private member but by the government and should be given far more serious consideration than we have the opportunity of giving it here. My main objection to the bill is that it will create for this company a monopoly of a public service, namely, the telephone service.

Mr. E. G. McCULLOUGH (Assiniboia): I rise at this time, Mr. Speaker, to add my voice to that of various other members in all parts of the house who have registered a protest against the passing of this bill. I wish to say that I think the hon. member for Broadview (Mr. Church) and the hon. member for Davenport (Mr. MacNicol) should be congratulated on the fact that they did a real public service in speaking against this bill and the method or manner in which it was brought before this house.

It is asking a good deal of the public servants of this country to ask us to give authorization for such an increase in the capitalization of any company without thoroughly scrutinizing the impact and ramifications of such a bill. I think it would be a good thing at this time just to go over some of the things which are proposed in this bill. In the first instance, a request is made by the Bell Telephone Company to increase their capital stock from the present $150 million to $500 million or, in other words, a capitalization of 230 per cent of their present capital. On the face of it, I think it is completely unreasonable to bring before this house a private bill asking that we should endorse such a request.

There are four reasons that I raise at this time for opposition to this bill. In the first

place it will give the Bell Telephone a virtual monopoly, and hon. members in all sections of the house will agree that we do not want a monopoly in connection with public services of this kind. In the second place I take exception to it because of the over-capitalization. My third objection is that this should be a publicly owned utility; and in the fourth place I believe we should know more about it before we agree to give the bill second reading.

At the present time the gross assets of the Bell Telephone Company amount to $270,802,000. With the exception of the prairie provinces, the telephone system of this country is controlled principally by four large companies, which in turn are indirectly controlled by United States corporations. I do not feel that it is in the interests of the people of Canada that we should go farther in alienating the development of our public services or our utilities of any kind to United States capital.

In regard to the monopoly angle, as the matter stands at present it will mean that the services of this company will be developed for profit, which in turn will mean that they will give service to the more thickly populated sections of the country because there will be more profit for them in those localities. I think it is important that we should so develop our public services that the people in the more sparsely settled areas will have service comparable with that in the more congested areas. That seems to me only fair; but if we allow the Bell Telephone Company to extend its monopoly in this country there will be no assurance that the people on the back concessions will be able to get the services enjoyed by those closer to the larger urban centres.

With respect to rates, I am quite convinced that when a monopoly gets control of an industry or a public utility there is no assurance that the people will get service at a reasonable cost. I would direct attention to some of the representations already made in this connection by one or two hon. members, and also to a news dispatch appearing in a Montreal newspaper of February 26, headed "Hints of increase in telephone rates," which states:

> Frederick Johnson, president of the Bell Telephone Company of Canada, told the annual meeting today that the company "cannot live forever within its present rates for service."

That is an indication that if this company does not see fit to continue to give service at the present rates there will be an increase, and there is no way whereby the public can be sure that the rates will be kept down or will be competitive in nature once we hand over to the company the power asked for in this legislation.

Mr. GIBSON (Comox-Alberni): Does the transport board not have jurisdiction in those matters?

Mr. McCULLOUGH (Assiniboia): This is the only time we as members of parliament have jurisdiction over the matter, and I think it is our duty to investigate all the ramifications. I am not quite sure as to the powers of the board of transport commissioners; but, as I said during the debate on freight rates, I am not any too pleased with the report of that board and its decision to permit that freight rate increase. So I am convinced that we as members of parliament have a real duty to perform in doing the best we can to make sure that our people get the best possible service at the lowest possible cost.

As the hon. member for Broadview has indicated, this bill went through the other place with practically no discussion at all. I do not think that is what should be done here. I believe we should try to get all the information we can; but, despite the attempts of the hon. member for Cariboo (Mr. Irvine), the hon. member for Rosetown-Biggar (Mr. Coldwell) and others who have tried to get information from the sponsor of this bill, as yet we have not been given any information which would warrant us in approving an increase of over 230 per cent in the capitalization of a company of this kind. We have done our best to get that information. On April 9 the hon. member for Winnipeg North Centre (Mr. Knowles) moved an amendment in these words:

> That Bill No. 8, letter C of the senate, be not now read a second time—

Mr. DEPUTY SPEAKER: Order. The motion referred to by the hon. member has been dealt with by the house, and the hon. member should not deal with it again.

Mr. McCULLOUGH (Assiniboia): Very well, Mr. Speaker; but we did have a motion that this bill be referred to a special committee of the house where all available information could be given, so that we might know what we were doing, and that motion was turned down.

With respect to over-capitalization, here we have a company which already has an authorized capital of $150,000,000, and has not as yet used that to the full extent, since they still have available some $13,336,700. I think it is unreasonable for them to come to us and ask for authority to expand their capitalization to such an extent until they show that they are going to build certain lines, or that they are

going to need this money for further development. So in that respect I think it is ridiculous.

Then I said I thought this should be a public utility. Let me say at once that I believe the hon. member for Davenport and the hon. member for Broadview, who sit on the Tory side of the house, should be complimented upon having asked in no uncertain terms that this be made a public utility. I have other reasons for advocating that we do not allow these utilities to come under a private monopoly. I come from the province of Saskatchewan where we have a government which certainly believes in public ownership and the development of our natural resources and public utilities, because we believe we can give our people greater service in that way. From May of 1945 to May of this year we shall have reduced our power rates by 46⅔ per cent, and in spite of this the power corporation still makes a return to the crown in that province. This shows what can be done if the government is prepared to develop our resources so that our people may have service at cost.

I now wish to say a word with respect to the splitting of the shares of this company. Some people say this is being done to give widows and orphans a chance to buy shares at $25 when they would be unable to buy them at $100. I think, however, there is a different reason for it. When we investigate the reports of various companies, such as the Bell Telephone Company, which have split their shares in the past, we can see what it means. As an example, say you take a $100 share and split it into four $25 shares, on which you pay a dividend of 2½ per cent. In the report it seems that the corporation is only making 2½ per cent, whereas on the par value of the original share the return is actually 10 per cent.

Mr. RINFRET: It is always 2½ per cent. It is a straight percentage.

Mr. McCULLOUGH (Assiniboia): The percentage remains the same. I am not saying it increases the percentage of the dividend; but it does this: it gives the impression to anyone reading the financial statement of the company that it is getting a return of only 2½ per cent, to which no one would take exception because it is quite reasonable, whereas in many instances the actual return is 10, 15 or 20 per cent.

In my discussion I am not in any way reflecting upon the personnel or directors of the Bell Telephone Company; I want to assure the house of that. I think they have a fine group of directors, even though six of the sixteen sit on the boards of chartered banks in Canada. At the same time I would say that what I am criticizing is the principle of the bill. We have had too much of this sort of thing in Canada. Since I have come to the House of Commons I have noted the growth of monopolies in this country. I have seen our fertilizer industry sold down the river, so that our people have had to pay more money, to the extent of millions of dollars. It was sold to the American Cyanamid people for a mere song. I have seen our Trail and Calgary fertilizer plants sold down the river in the same way.

Again, I do not challenge the integrity or the ability of the men in control of those companies. I know some of them, and I believe they are fine gentlemen; at least those of them whom I know. But what I say is this, that we are here as representatives of the people to look after the people's welfare. And when we find a monopoly, such as we now have in connection with fertilizers, and as we shall have in the Bell Telephone system, there is no assurance that our people will get, at reasonable prices, either the service or the goods they need. It is that to which I take exception.

In the past we have seen some of the actions of this company. We have found that in the company's history they have divided their shares and handed them out—

Mr. RINFRET: They have not.

Mr. McCULLOUGH (Assiniboia): —to their stockholders at a nice profit. I wish to say right here that the history of the stock issues shows that the company have been making a regular practice of issuing stock to their shareholders at a par of $100 a share when it was listed and selling on the exchanges at market prices 40 per cent, 50 per cent, 60 per cent, 75 per cent and in the instance of the year 1899, 93 per cent higher than its par value.

Mr. RINFRET: What is the hon. member reading from?

Mr. McCULLOUGH (Assiniboia): From a record of the company's past history.

Mr. RINFRET: From what? A newspaper?

Mr. McCULLOUGH (Assiniboia): The whole thing boils down to this, that here we have a principle involved where we are asked to permit a tremendous over-capitalization. We must realize that it is asking quite a bit to ask the House of Commons to allow capitalization of a company to the extent of more than 100 per cent of its present capitalization.

I do not refer now particularly to this bill, but I say that as a principle we in the House of Commons should give expression to the idea

that no company at any time should be granted a capitalization 100 per cent over and above its present capitalization.

Mr. CASE: Canada will be a big country in fifty years.

Mr. McCULLOUGH (Assiniboia): Yes, but it would not be if some of these people had control of it. I know about it, because I have had experience in Saskatchewan. Under private enterprise, where would our lakes, rivers and mines be?

In conformity with what I have said, I should like to move, seconded by the hon. member for Selkirk (Mr. Bryce):

That Bill No. 8 be not now read a second time, but that it be resolved that in the opinion of this house no company should ask parliament for an increase in authorized capital in excess of one hundred per cent.

Mr. JACKMAN: One hundred per cent of what? Complete the resolution. The resolution means nothing.

Mr. DEPUTY SPEAKER: The hon. member for Selkirk (Mr. Bryce) has already spoken. I doubt if it is competent for him to second this motion.

Mr. NICHOLSON: I second it.

Mr. DEPUTY SPEAKER: Then it is seconded by the hon. member for Mackenzie.

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I think it is important that hon. members have a full and free opportunity to discuss the principle of this important legislation, before we are asked to vote upon it. In view of the fact that the sponsor of the bill was not prepared immediately to deny the suspicion of the hon. member for Selkirk (Mr. Bryce), I believe all members of the house should take further time to consider what is involved.

In view of the fact that the prairie provinces have made large investments in the telephone systems in their respective provinces, at a time when corporations such as the Bell Telephone Company were not interested in extending lines into these unprofitable areas of Canada, I believe it would be a great pity if a near-monopoly, such as the Bell Telephone Company, which might be anxious to make conditions more difficult for the publicly owned organizations, were authorized to construct new lines across the United States which might by-pass the provincial telephone systems and thereby deprive them of large amounts of revenue which normally they would receive.

Mr. RINFRET: On a point of order, there is no intention on the part of the Bell Telephone Company either to buy or to acquire the three telephone systems on the prairies, and there is no intention of putting a wire or a line across the United States.

Mr. NICHOLSON: The question was not that of purchasing the—

Mr. RINFRET: That was the question which was put.

Mr. NICHOLSON: I am glad the hon. member for Outremont has given us the assurance—

Mr. DEPUTY SPEAKER: Order. The hour reserved for private bills having expired, we shall revert to the business before six o'clock.

PRIVILEGE

MR. CHURCH—STATUS OF MEMBER ON PRIVATE BILLS

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I rise to a question of privilege. I understand that during the debate on one of the private bills the hon. member for Wentworth (Mr. Lennard) referred to me. He did not mention any names, but that was the reference. I can tell him once and for all that I never have been a nodder and a yes man in this house on these private bills. If he wishes to be, let him be one. I am fed up too.

WAR SERVICE GRANTS ACT

ABOLITION OF BOARD OF REVIEW

The house resumed consideration in committee of Bill No. 47, to amend the War Service Grants Act, 1944—Mr. Gregg—Mr. Golding in the chair.

The CHAIRMAN: When the house rose for recess we were considering section 1.

Mr. GILLIS: When the house rose at six o'clock the hon. member for Vancouver South had suggested an amendment to this bill. If the minister is about to propose that amendment I shall reserve what I have to say until I hear him.

Mr. GREGG: At six o'clock we were discussing the point of the continuing authority for the consideration of these cases which may be left after the board is disbanded. The suggestion of the hon. member for Vancouver South has been studied. My colleague will move this amendment, that we delete all the words after the word "to" in the thirteenth line and substitute the following:

a committee of at least three officers of the Department of Veterans Affairs who shall exercise

and perform such powers, duties and functions in accordance with the rules of procedure to be made by the governor in council.

Mr. FOURNIER (Hull): I move accordingly, Mr. Chairman.

Mr. GREEN: In effect that sets up a departmental board of at least three senior officials.

Mr. GREGG: Who would be full-time officials of the Department of Veterans Affairs.

Mr. GREEN: That seems satisfactory.

Mr. CARDIFF: What classes of cases would come under this?

Mr. GREGG: The same class of cases, if they exist, as have been dealt with by the existing board to which the bill refers.

Mr. CARDIFF: Would a man who has applied for a pension come under this?

Mr. GREGG: No, this is Bill No. 47, to amend the War Service Grants Act. As was explained this afternoon, the amendment grants authority to disband the board as soon as its task is finished, which will be in the reasonably near future. This has nothing to do with pensions or veterans allowance, but rather with a study of the records of men to see whether they are qualified for rehabilitation benefits.

Mr. GILLIS: I am not so sure that I am quite satisfied with this arrangement. I remember very well the difficulty we had in having this board set up in the first place, and I have had considerable to do with it since it was set up. I want to pay tribute to that board. It is one section of the Department of Veterans Affairs which has performed yeoman service in a very difficult field. At the end of the war a large number of Canadian service personnel came back with misconduct discharges, in many cases for a very slight infraction of military rules and regulations, for which they were penalized severely. A misconduct discharge meant a stigma on a man for the rest of his life and militated against his securing employment. In addition many of them were fined and lost their pay and gratuity. We did not argue that they should be paid gratuity for the days or months they may have spent in confinement, but we did think that the gratuity should be paid for the period of actual service. That was not the case when the war ended and we brought the matter up in the house and in the veterans affairs committee. I was particularly active in the matter myself because I had a number of these cases on my hands. Ultimately the board was set up.

[Mr. Gregg.]

I agree with the minister that there is a saturation point in this kind of thing and that there may not be any longer the necessity of maintaining a full-time organization. But the board the minister is going to set up will consist of three or four or five officials of the department who already have a full-time job, and to whom this will be a sideline. They will be somewhat in the position of a broker in the city of Toronto who is also a member of parliament but whose mind is mostly on his private business rather than on the business here. Similarly the officials of the department will have their own specific work to do in the department, and this other work will be a sideline to them. I should like to know from the minister, before we pass this amendment, how many misconduct discharges there were, how many applications were made to the board, how many were granted and how many refused. Then we shall have some idea of the number still to be dealt with. I believe there is still a large number who have not made application for the gratuity which I think will be coming to them under the changes made in the War Service Grants Act.

I also want some assurance from the minister that this board will actually function, so that we shall not be writing to someone who is on some other job in some other place, but will be back in a week or next month to answer your letter. If the minister can give us that information I would very much appreciate having it, because I am not prepared to disband the present board until I am reasonably sure that there is not sufficient work to keep them employed for some time to come.

Mr. GREGG: This afternoon I gave the number of applications dealt with. I have not the figures here at the moment. The total number now remaining to be dealt with is 458, and it is our intention that the board or a quorum of the existing board shall continue to deal with all those 458 cases. We desire to continue the facilities for dealing with cases, because new evidence may be brought in regarding any of the 2,844 applications which were refused out of the whole Canadian naval, land and air forces. If any further evidence comes in which might mitigate their record the committee would take that into consideration.

Mr. BROOKS: Was any time limit set on making application?

Mr. GREGG: No.

Mr. BROOKS: I very much approve this bill. If the functions of the board are about

completed it would be an unnecessary expense to continue it. There were some 5,000 or more cases before the board, I understand; is that correct?

Mr. GREGG: There were 5,055 granted and 2,844 refused. Of course the remaining 458 cases in which a decision has not yet been given have to be studied.

Mr. BROOKS: I was not in the house before six o'clock, when perhaps this information was given. Is there any appeal from the board's decision?

Mr. GREGG: If, after the end of the board's work, new evidence should come to light regarding any one of these cases, that evidence will be considered by this continuing committee, if this bill passes.

Mr. BROOKS: I presume there would be a chairman of the committee. Will there be any remuneration for the other members?

Mr. GREGG: No, there will be no additional pay for this committee. While I would not want this to be taken as final, I think the obvious choice for the chairman of the committee would be the deputy minister.

Mr. BROOKS: I think that arrangement would be very satisfactory.

Mr. HERRIDGE: Under this committee which it is proposed to establish by the amendment to this bill, will the permanent force officers who have been cashiered and lost their long service pension, or members of the permanent forces and other ranks who had also lost their long service pension through some default, be able to present their case and the new evidence required to this committee?

Mr. GREGG: No; the board, under the original act, had authority to deal only with gratuities and re-establishment credits.

Mr. PEARKES: I presume that the numbers given by the minister referred to men who have already been discharged from the service. There may possibly be some men who are still liable to be discharged from the service with an unsatisfactory discharge certificate. I do not know if there are still men carried on the strength of the forces who are classified as deserters. We must remember that, after world war I, deserters were declaring that they were deserters for many years afterwards. How many of these cases are those which the board may have to consider? In other words, how many men are there in Canada who were deserters from the forces and have not been brought to trial or have not declared themselves as deserters? How many men are there still in prison as a result of crimes, and therefore have perhaps not yet been discharged from the service?

Mr. GREGG: The main questions asked would apply to the Department of National Defence. My department deals, of course, only with men and women when they become veterans. If a man is in prison he is still under the control of the Department of National Defence.

In reply to the first question I can say this. If such a man were discharged with such a record now and application were made the existing board would study that case as it has these others and decide upon it. If it should be later, if the board were disbanded, then this committee, if this amendment passes, would be clothed with exactly the same power and authority to study that case and deal with it as though the board had actually been studying it.

Mr. PEARKES: I realize that, but I am trying to ascertain how much work the board will have to do. Are there many such cases?

Mr. GREGG: I cannot give the exact number tonight.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

VETERANS INSURANCE ACT

AMENDMENTS WITH RESPECT TO ELIGIBILITY, ETC.

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the second reading of Bill No. 60, to amend the Veterans Insurance Act.

Mr. PEARKES: Will the minister give an explanation of this bill before it is given second reading?

Mr. GREGG: Mr. Speaker, the main purpose of this bill to amend the Veterans Insurance Act is to extend and clarify the eligibility section of the act. This amendment is the first amending legislation that has been proposed since the act came into effect on February 20, 1945.

The original act provided for the approval of applications within three years after discharge or three years after the coming into force of the act. This bill provides for an extension of the period to six years. This will be of value especially to veterans who are still under treatment, or whose health at present will not permit their acceptance for insurance.

There are also veterans who are, or who have been, under training, and others who

have been unable, for various reasons, to rehabilitate themselves financially, and they will welcome this extension. In addition there will be certain United States veterans who served in the Canadian forces who have been training under their G.I. bill of rights, and eventually they will be able to purchase veterans insurance with the remaining portion of their re-establishment credit.

The bill provides a revised and clarified definition of classes eligible to contract for insurance, and includes statutory provision for members of the permanent force and certain merchant seamen who originally qualified under order in council passed under emergency legislation, which has now expired. The bill will extend the benefits of the act to merchant seamen who qualified to receive a war service bonus. It excludes one small class, the dependent parents of deceased members of the forces, or persons standing in the place of parents. It was not intended that they should be eligible, but the phrasing of the act was found not clear, and this amendment includes a clarification of that.

Widows of members of the forces who died on service have previously qualified as pensioners. It is considered advisable to provide specifically that these widows shall qualify as widows, as do the widows of those who died after discharge. The class of pensioners will now include only those in receipt of a disability pension.

The bill provides a clarification of wording in several places; there is also a retroactive feature which will avoid any break in the period of eligibility.

The total amount of veterans insurance issued to March 31, 1948, was 19,280 policies for $55,353,500 worth of insurance. There are some 211 applications now pending for $509,000 worth of insurance from veterans whose period of eligibility has already expired and, if this amendment is passed, who would become eligible.

Mr. GREEN: May I ask the minister a question? Several of these amendments to which he has referred do not appear in the bill as it has come from the senate. Is it the proposal that different amendments will be offered in this house, or just where do we find these other changes?

Mr. GREGG: Perhaps I can defer that if I might move that the bill be referred to the committee on veterans affairs.

Mr. GREEN: I think, Mr. Speaker, that we should know how the government proposes to make these various changes. Several of them, for example the six-year provision and the provision for widows, do not seem to be in this bill at all.

[Mr. Gregg.]

Mr. GREGG: It was proposed to bring forward certain amendments at the committee stage.

Mr. GREEN: The minister's explanation, then, covers several matters that are not yet before the house. Might we have a list of the proposed changes?

Mr. GREGG: I have not the list as a list, but it will be found in my introductory statement in *Hansard*.

Mr. CLARENCE GILLIS (Cape Breton South): I feel somewhat as the hon. member for Vancouver South (Mr. Green) does. We are dealing now with the principle of the bill and with that principle we can agree. It is a matter of clarification, changing some of the wording and extending the provisions of the act to personnel who are not included in the present measure. Before the bill goes to the committee, I should like to see the proposed amendments.

I have every confidence in the veterans affairs committee; but, the minister's explanation notwithstanding, I would ask why, for example, there is a change from the word "insured" to "applicant". I am not going to read the section; but it gives the minister, if he so desires, the right to subject any applicant to a medical examination, whereas the whole purpose of veterans insurance was to give insurance to service personnel who could not pass a medical examination.

As I understood the old bill, the word "insured" was used where the word "applicant" now appears. That is a matter of definition and I am sometimes afraid of legal definitions. Who is the insured under the old act? I suggest that the insured is the beneficiary. That is the person who is really insured, the person who receives the benefits which the insurance carries. I believe there would be a good deal of difficulty in the exercise of the powers granted the minister now with respect to medical examination. If this wording is used, then when the person applying makes application for this insurance, the minister, if he so desires, can instruct the departmental officials to have every applicant for this insurance subjected to a medical examination.

I am afraid somebody behind the scenes is getting smart and taking the competition in this field away from the old line insurance companies. I am apprehensive of that particular change and I should like to have it thoroughly explained. The minister is perfectly honest, and, I am sure, has not in mind what I am suggesting at the present time, but there is a lot of intrigue and manipulation in matters of this kind in a structure of society

which is based upon profits. They do not like to see growing up in the country in government circles anything that may be interfering with that particular field.

There are a large number of service personnel in the country today. It is a good insurance field; and I want to be assured that the business of having the applicant insured under the legislation will not involve his being subjected to a medical examination, because, if he is, that defeats the whole purpose of veterans insurance.

If the minister has an explanation to give as to why the word "insured" is being changed to "applicant", with the powers given the minister under that particular section, I wish he would give it because I am a little bit afraid of it.

Mr. A. J. BROOKS (Royal): I am in perfect agreement with the principle of the bill and, as I listened to the minister's explanation of the proposed amendments, I would be in agreement with the amendments. I agree with what the hon. member for Cape Breton South (Mr. Gillis) has said, except his definition of "insured". I do not altogether agree with that.

Before we consider this bill, the amendments should be before us. I suggest that the bill be not now read the second time. It might be referred to the veterans affairs committee as suggested by the hon. member for Vancouver South (Mr. Green). We cannot consider it intelligently in the house at the present time without having the amendments before us.

Mr. W. GARFIELD CASE (Grey North): I would support the view expressed by the hon. member for Royal (Mr. Brooks), inasmuch as we are being asked to give second reading to a bill which is incomplete. I think it is wrong to expect the house under the circumstances to approve even by second reading. In my opinion the matter should be stood over until we have the amendments to which the minister has referred and which it is difficult to follow by simply hearing them. We should have them completely before us when we are asked to give second reading to the bill.

In reply to the hon. member for Cape Breton South (Mr. Gillis), I do not think any of the old line life insurance companies will be greatly interested. They are anxious to write insurance, it is true; but I should like to point out, and I think it is a tribute to these insurance companies, that there are hundreds of veterans who are salesmen for the old line companies and they are making good in the majority of cases. This is a risk they could underwrite and I think that was intended by veterans insurance. I hope that no part of that phase will be changed in the present act.

Mr. G. R. PEARKES (Nanaimo): I understand that the minister is going to make certain amendments to the bill. May I suggest that when the amendments are being considered the inequality which exists, regarding the terms upon which a veteran may obtain insurance, as to those who joined the forces between April 1, 1946, and February 7, 1947, be removed.

According to the bill as it now stands, a man who joined the forces prior to the 1st of April, 1946, will have three years to make up his mind as to whether he wants to take out insurance or not. The man who joined the forces after February 7, 1947, will also be given three years to make up his mind. The man who joined between April 1, 1946, and February 7, 1947, will have only just over two years to decide.

Mr. HOWARD C. GREEN (Vancouver South): May I suggest to the minister that the bill be not now read a second time but that the subject matter thereof be referred to the special committee on veterans affairs. Then the proposed amendments could be submitted and the whole bill discussed. It would be much more satisfactory to have it done that way rather than to pass the bill now without knowing what the amendments are to be.

Mr. P. E. WRIGHT (Melfort): I support the hon. member for Vancouver South (Mr. Green). I do not think that if we gave the bill second reading and went into committee of the whole on it, and if the amendments which the minister has suggested were then introduced, we would be able to pass those amendments, because they introduce a new subject matter which is not in the bill to which we would be giving second reading. Under the circumstances, the only thing we can do is to refer it to the committee.

Mr. ANGUS MacINNIS (Vancouver East): I do not wish to speak to the bill, but I suggest to the house that they be careful if they want the bill to carry when we consider the amendments. I am of the opinion that, if carried, they would kill the bill. The bill would have to be reintroduced and then given first reading, and I do not know whether that can be done. I think it would be much better to leave the second reading over until the members have the bill before them. That is the usual way. Then there would be no danger of throwing out the legislation which, after all, is highly desirable legislation.

Mr. L. A. MUTCH (Winnipeg South): Following what the last speaker has said, may I point out that the motion that the bill be not read now but that it be referred to a committee in order that the subject matter

might be considered is a well-established way of giving the bill the hoist. There is some real doubt in my mind, and I think there would be in the mind of the house, whether or not, under the circumstances, it would be possible to deal with the subject matter of the present bill again this session.

Mr. GREEN: Of course nobody wants to kill the bill.

Mr. MUTCH: I know that. I am quite sure that no one does. I think the house ought to bear in mind that this bill comes to us in its present form from another place. Naturally it has been the subject of study by the department and the officials of the department. The minister, in his brief introduction to the bill tonight, indicated that the department are in fact prepared to go farther than the recommendations which have been included in the bill in that other place.

The question for us to decide at the moment is whether or not the house desires to take the minister's statement of what he proposes to do, let the bill go to second reading and debate and accept or disregard these further recommendations in the committee, or to defer second reading. It seems to me that there is no particular advantage in either procedure, beyond the fact that we dispose of the bill and get it into the hands of the most interested parties if we let it go to second reading. There can be no serious objection to delay.

Mr. DEPUTY SPEAKER: Does it meet with the approval of the house to give the bill second reading on condition that it will be referred to the special committee on veterans affairs?

Mr. GREGG: Just before the motion is put, Mr. Speaker, let me assure the hon. member for Cape Breton South (Mr. Gillis) that there is no sinister motive in the wording. It is for clarification. I think the procedure which has now been suggested will be a helpful one. Quite a long time ago, early in the session, this bill was passed through another place; and as it came to this house, I should have made note that the introductory remarks I was making covered those things already in, and also those things that we wanted to get in; and that the bill will be amended in accordance with the statement I made in the beginning.

Motion agreed to, bill read the second time and referred to the special committee on veterans affairs.

[Mr. Mutch.]

VETERANS REHABILITATION ACT

EXTENSION OF ALLOWANCE PROVISIONS

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to present a bill to amend the Veterans Rehabilitation Act by extending the allowance provisions in respect to persons coming under the provisions of the act.

Mr. GREEN: May we have a statement from the minister?

Mr. GREGG: The resolution before the house, Mr. Speaker, is one dealing with amendments to the Veterans Rehabilitation Act. Certain anomalies and conflictions have occurred in the experience with that act since it first came upon the statute books, and in some respects these amendments are to correct those anomalies and conflictions which are based upon the experience of the department.

The bill—if I have your permission, Mr. Speaker, so to refer to it at this stage—will provide for the payment of allowances to veterans on behalf of children who are in the process of adoption. It will also provide for payment of an allowance where an illegitimate child of a veteran's wife is maintained by the veteran. Items such as these are taken up in the amendments.

Provision is contained in the oncoming bill to provide compensation to veteran trainees who received a disability from accidents which occurred during the course of their training subsequently to August 31, 1946. For example, one veteran suffered injury during his training prior to this date and is becoming blind as a result of the accident. The amendments proposed will take care of such cases prior to that date and will cover all cases of injury incurred during training, under the provisions of either the post-discharge re-establishment order or the Veterans Rehabilitation Act.

It has been ruled that an individual who enlisted during the war and remained with the permanent force and is finally discharged ten or twenty years hence will be eligible under the present legislation to apply for benefits under the Veterans Rehabilitation Act. I am told, Mr. Speaker, that that is something which was not in any way intended when the original act was passed; and from reading of the records I believe that is so. That will be corrected.

The intent of the act was to provide assistance for veterans on discharge from their war service. The proposed amendments in the

bill will provide that veterans of the permanent force will be deemed to have been discharged or retired from the forces as of September 30, 1947, which is in accord with order in council P.C. 2372 of June 17, 1947, whereby the armed forces ceased to be on active service after September 30, 1947.

Certain limitations are provided in the act which prevent desirable transfers from vocational training to university training, and the other way around. Perhaps this will be the most important feature of the legislation coming forward under this resolution. Cases have been brought to the attention of the department where these restrictions work a hardship on the veteran in his efforts to complete his rehabilitation. The oncoming amendments will permit transfers to take place for those who have discontinued training within six months of the coming into force of this amending legislation and for those now in training within six months from the date that they discontinued their present courses.

Also veterans who are receiving university training, including pre-matriculation courses leading up to university training, are debarred from the benefits of the Veterans Land Act. In many cases, because of a change in objective, the veteran, after completing his pre-matriculation course, did not continue on to university as he originally intended. The proposed amendments restore to such veteran students eligibility to apply for benefits under the Veterans Land Act. Where a veteran has completed one academic year of not more than nine months at a university, he is required to pay the allowances and other costs of such training prior to the restoration of his entitlement under the Veterans Land Act.

These proposed amendments bring into effect the results of the experience of the department during the past three years in the preparation of veterans for their careers in life. Quite often they came out of the services convinced that they knew exactly what they were going to do in life and the course they wanted to follow to prepare for that objective. They had counsellors within the service; they had counsellors within the universities and vocational schools; they had counsellors in the department. Sometimes they thought they were counselled to death. However, in the main the veteran himself or herself made the decision. Sometimes the counselling had effect; sometimes it had not. After they got under way for a few months in vocational or university or on the job training, they found that was not the field they should try to enter, and under the original act there was a certain rigidity that made it difficult for such a veteran to take the fork in the road leading, the department hopes, to the vocation which best fits his aptitude.

This resolution gives me an opportunity to say a word about the training program for veterans made possible by the original rehabilitation act. The number of veterans who have received or are receiving or are about to receive training at universities now stands at upwards of 55,000. When I say "are about to receive" I mean including those who are now at pre-matriculation schools with the intention of going on to universities. Therefore, including those who have graduated, those who are in, those who intend and are preparing to go in, the figure is over 55,000 at present. The corresponding total with regard to vocational training is approximately 93,000.

These numbers do not by any means tell the whole story. For example, when the original act came into effect the universities were faced with a great opportunity and a great duty to provide university training for veterans, which brought total enrolments at those universities up to two, three and, in one case in the far west, four times the normal enrolment. The story of how that has been done is an interesting one. It is a story of co-operation between the universities and the federal government in a way that has been a source of great satisfaction to the universities and which has been very effective in behalf of the veterans whom they tried to serve by leading them into the proper courses and eventually to rehabilitation.

The word "rehabilitation" was, of course, the key word. It was intended to give the student an opportunity to find his way back to civil life, but I am glad to say it is meaning more than that. Veterans at our universities, as well as those taking vocational training, are getting a broadening of experience and education that will mean more than mere rehabilitation, important though that may be. The initiative taken by the university authorities is leaving nothing undone, even changing the whole set-up of their establishments, to fit into this plan has been commendable. One pleasant feature is that it is being done with the universities maintaining their time-honoured autonomy, yet preserving the most harmonious relations with this department on the many interlocking points of operation that have come up.

I could say more on that point, but the amendments being brought in come within that field of co-operation. When the plan for university work came into operation each institution worked out, under university authority, a counselling service. Some of these services

have grown to quite extraordinary dimensions and are now considered to be an important part of university work. It was to a great degree through that counselling, after the student veteran got under way, that this need for redirection of course became more apparent. All the universities operating under the plan have that system in effect now, and it has been possible for them to do that without interference by the department, while at the same time receiving from the department assistance under their supplementary grants making this possible.

The amendments being brought forward, providing as they do more flexibility in the early direction of courses, are a direct result of that work, and I am sure that the experience gained in this field by the universities will be of value long after the veteran period has passed, that it will be one of the useful by-products. I could say much also about the task involved in working out the vocational training for the nearly ninety-five thousand veterans concerned.

In some cases, particularly in medicine and dentistry, the fees to the university plus the supplementary grant of $150 have exceeded the $500 which it will be remembered the act set as the maximum payable on behalf of the veteran in tuition fees. The ratio of costs of instruction in medicine and dentistry has increased to a greater extent than in practically all the other courses. As hon. members know, Canada is very short of medical men and dentists, and a great many veterans elected to take those courses. So an attempt is made here to see that no potential veteran doctor or veteran dentist does not take the course due to the fact that his tuition is more than $500. In other words, an attempt is made to have that tuition payable on his behalf.

Mr. F. E. LENNARD (Wentworth): Mr. Speaker, I should like to draw one matter to the attention of the minister, because I feel it should receive the serious consideration of the Department of Veterans Affairs. In many cases the overseas wives of Canadian veterans have refused to come to Canada. That amounts to desertion; yet the Canadian veteran has no redress in our courts, unless at great expense to himself he can prove adultery. The overseas wife of a Canadian veteran can get a divorce in England by proving desertion, but that divorce does not hold good in Canada. I am not a member of the legal profession, but I realize that divorces come under the jurisdiction of the provinces, with the exception of Quebec. I do feel, however, that the Department of Veterans Affairs should consider this problem seriously and take it up with the provinces in an endeavour to correct what to me is an injustice to many of our veterans.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, if I heard the minister correctly I believe the amendments we are introducing will remove rehabilitation grants from those men who have joined the permanent force of this country. If that is correct, it seems to me grossly unfair, because when a man decided to remain on in the active forces of this country, be they navy, army or air force, he would have been influenced by the fact that when his service engagement was terminated he would still be eligible to draw his rehabilitation grant.

If the amendment means that after he has joined one of the services the rehabilitation grant is to be taken away from him and that he is to be deprived of the opportunity of having that grant, then I think he has been grossly misled in being permitted to join the active force on the understanding that when his service terminated he would still be able to get his rehabilitation grant.

I hope, if my interpretation of the minister's statement is correct, that he will give the matter serious consideration, because it seems to me that a condition of that kind would be doing a gross injustice to those men who are still remaining on in the service of this country. Even if it is not possible for the minister to grant them their rehabilitation grants, perhaps at the time they have completed their pensionable service they should at least be given an opportunity of having their rehabilitation grants when they are asked if they wish to re-enlist in the services after the termination of their first enlistment.

Mr. CLARENCE GILLIS (Cape Breton South): There is another point I should like to bring to the attention of the minister. I hope, when the bill reaches the committee on veterans affairs, that some attention will be paid to the point raised by the hon. member for Wentworth (Mr. Lennard). I refer to divorce, as applied to service personnel, and the application of Canadian divorce laws as well as those of Great Britain. I have discussed this matter before and I shall not waste time on it this evening.

I have in mind another point which has not been discussed. I am thinking of the veteran who was discharged, went into some industry and probably remained there for eight months or a year. Then, at the end of that time he decided to take a course under the government's regulations. Completing his course, he found that he could not get a job, and as a result made application for unemployment insurance. However, he could not estab-

lish a benefit year and had not made the 180 contributions. Then he applies for his armed service credits, which are applicable in a case of this kind to any serviceman who did not take a course.

There have been quite a number of boys in the circumstances I have described who could not qualify, who could not get a job, and to whom armed service credits were not made available. I suggest that when the minister is discussing this bill in the veterans affairs committee that point should be considered. I believe there has been rank discrimination, and I have brought specific cases to the attention of the department. The legislation as it now stands does not take care of that kind of situation.

Mr. A. J. BROOKS (Royal): Mr. Speaker, I do not intend to delay the passage of the resolution for any length of time. The minister referred to university students and to vocational training and, I believe, made the suggestion that possibly some of these students have not been getting their training along lines best suited to them. His suggestion that a change should now be made is a good one.

There is another class of student to whom very little attention has been paid. I refer to children of veterans who were killed overseas or who were war casualties. I know it has been mentioned on other occasions in the house that these orphaned children should receive some sort of grant for educational purposes. I would refer again to the condition in the United States where, in different states of the union, they pay all the way from $150 to $300 a year as an educational grant for the education of orphans of deceased war veterans.

Has any consideration been given or will it be given to a grant of some kind for this purpose? I understand that to a great extent education comes within the control of the provinces, and perhaps that is why the matter has not been considered. I would ask, however, if any consideration has been given to that point. No doubt the minister will have an opportunity to reply when we are in committee on the resolution.

Mr. HOWARD C. GREEN (Vancouver South): Mr. Speaker, there are two or three matters I should like to place before the minister and the house in connection with rehabilitation. As I understand it, this measure does not apply to veterans of the first world war. When I was in Vancouver during the Easter recess I found that there are some veterans of the first war around the age of fifty years who could be benefited greatly by receiving vocational training of one kind or another. I have in mind training as gardeners. Apparently some of them have had that training and have been enabled to get jobs from which they are able to earn a living.

The minister's staff in Vancouver has no authority to give training of that kind to veterans of the first war. I imagine they are stretching the limits a bit, because of the great need of placing these men. I suggest that the minister should give consideration to extending the act to cover veterans of the first world war who could benefit by training of this type. If he will check up in his department I think he will find that that would be the recommendation of his own men who are on the spot and who are trying to place these older veterans.

Incidentally, in my opinion the staff in Vancouver—and I have no doubt the same condition obtains elsewhere—are doing a fine job in helping to place veterans of both the first and second world wars. They are keen about their job; they are enthusiasts, and I am sure it would help them if they were able to give some sort of training to this particular class of men from the first world war.

Another group I would mention is that of the merchant seamen. In his opening remarks the minister said nothing about extending the benefits of rehabilitation to the merchant seamen. My understanding is that the only benefits they can get now are by way of training for the sea. They can get vocational training to go to sea, but not otherwise. For example, they cannot get training at a university. As the house knows, our merchant marine is small in size, although it is a great deal larger than it was before the war. Yet it is so small, compared with its size during the war, that only a very small proportion of the men who served in the merchant navy could hope to carry on in that occupation in peacetime.

In effect, most of the men who served in the merchant navy can get no rehabilitation benefits, and I hope that the government has not closed the door on giving training to these men. This is not the time to repeat the submissions which have been made here in other sessions, and in fact this session, but I do hope that the door is not closed against these men.

The minister said nothing with regard to university students. The married students were given an increase of, I believe, $10 a month, but there was no increase whatever given to the single students, and the representations that I receive are to the effect that

$10 a month is still not sufficient to meet the requirements of the married men. The single men are getting in a worse position all the time. The cost of living has been going up steadily; the funds of these men are running lower and lower, and many of them are going deeper and deeper into debt. This is a situation which I believe must be met. It has not yet been adequately dealt with.

I have also had representations about the permissible earnings. The suggestion is made that these men should be allowed to earn more than $75 a month, which I believe is the figure at the present time, is it not? The suggestion is that they should be allowed to earn more than $75, and I suggest that under present conditions it would be wise to grant that permission. It does not need any amending legislation, since it can be done by regulation under the act. That would greatly ease the situation.

I would point out that in the United States just about two months ago veterans attending schools were given an increased allowance. I have here a press dispatch from Washington of February 14 last, which states that the United States has raised the monthly subsistence allowance for veterans without dependents from $65 to $75. In Canada I believe it is $60. The dispatch goes on to say that those with one dependent have had their allowance increased from $90 to $105, and those with two or more dependents, from $90 to $120, effective April 5.

I do hope that the minister will deal with these points when we get into committee. All of them are, I suggest, worthy of consideration, and I hope that provision can be made in the bill to meet them.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. WRIGHT: I want to ask the minister a question with respect to the rehabilitation grant. When a soldier writes in and asks for his rehabilitation grant I understand that the department sends out a form for him to fill in. One applicant showed me this form. In the lower corner was this stipulation which the applicant had to sign:

"It is not my intention to make application for vocational training or settlement under the Veterans Land Act." He had to sign that as well as the application form. But it was our understanding in the veterans affairs committee that accepting the rehabilitation grant did not prevent a man from, later on, repaying that grant and making application to come under the Veterans Land Act. These chaps were very much alarmed about this form. The form did not state that they could not, later on, repay the rehabilitation grant, but it required them to state that they would not ask for settlement under the Veterans Land Act.

I have had complaints from veterans who have stated that the department had refused to accept repayment of their rehabilitation grant and to grant rehabilitation under the Veterans Land Act either on small holdings or on permanent farm holdings. I would ask the minister to explain just what the situation is in that regard. It was our understanding in the veterans affairs committee that the rehabilitation grant could be repaid and application be made for settlement under the Veterans Land Act.

Mr. GREGG: Perhaps we might defer going into that in detail until the committee stage of the bill, but I think it has been understood through the counsellors in the regional offices of veterans affairs that these men could repay their re-establishment credits.

There are one or two points to which I might refer while on my feet. One was with regard to divorce. I am going to leave that to the veterans affairs committee. Like other members of that committee, I have run across difficult situations, and if a solution can be found I shall be as happy as anyone.

Referring to the point made by the hon. member for Nanaimo, I said a little while ago that my understanding of the purpose of the original rehabilitation act was to have the veteran re-established. As we stand now, it would appear to me that the permanent officer or soldier is re-established. If by any chance he is discharged now or next week or next year he will, of course, come under whatever remaining benefits there may be related to the last war, but twenty years from now one would expect that vocational training schools and university training plans and many of these other things which were built up definitely for re-establishment will have served their purpose. In addition there are parallel training plans, even in service, up to university level, also trade schools and matriculation.

Mr. PEARKES: Can the minister give any idea as to the time? For instance, a man joins the forces, say on a three-year enlistment; will he be eligible at the end of his first term of enlistment for whatever benefits there are?

Mr. GREGG: This is designed for war veterans. Those who enlist for short term service now, for a three-year term, would not, I feel, be entitled to the benefits under this act.

Mr. PEARKES: It may be the minister's impression that this means rehabilitation; but I suggest that the man who joined the active

forces believing that he would get these benefits at the end of his period of service considered that as part of his rehabilitation. He was going to rehabilitate himself by staying on in the service for a period of three years, at the end of which period he believed that he would have an opportunity of taking certain courses. He knew that when he first signed his enlistment there was great demand for those courses and that they would be crowded; whereas if he waited three years—it might now be only two years—he believed that he could get the course at the end of his first enlistment. I think that to deprive him of that opportunity now is grossly unfair to the man who joined up with that understanding or with that impression.

Mr. GREGG: I do not propose to discuss the merits of that tonight, because it introduces quite a new principle. It is quite debatable. It is for the department creating a new army to say whether that should be done or not. Under this act which was designed for the rehabilitation of the veterans coming out of the war, it certainly was not the intention, when the act was passed, that it should be used for that purpose. If what my hon. friend suggests should be done it should be done under a completely new dispensation relating to the new army.

Mr. PEARKES: I disagree. I feel that the man had to make a decision as to whether he would stay on in the active forces or not, and whether he would stay on perhaps for a period of his first enlistment which, as I say, is normally three years, realizing at the end of that time he would have an opportunity of having his rehabilitation grants. He decided to stay on, and now before that period of enlistment has been completed you are going to withdraw the rehabilitation grant. If that is the minister's intention I do not think it is at all fair to these men who made that decision with the belief that they would be entitled to these rehabilitation grants at the end of their enlisment.

Mr. GREGG: May I clarify what I said a moment ago? Perhaps I misunderstood my hon. friend. I was thinking of the eighteen year olds who may enlist now for three years; but I can see now that the hon. member refers to these veterans who served during the war and are going on for three years more. As they come out from month to month, they will certainly be entitled to such rehabilitation benefits as gratuities, re-establishment or Veterans Land Act benefits.

Mr. BROOKS: Was the time not increased to three years for that particular purpose?

Mr. GREGG: One of the amendments put forward in the insurance bill tonight was partly for that purpose as well as for veterans who were in hospital or in training.

Mr. MUTCH: The original rehabilitation grants were for a period of ten years from the cessation of hostilities or the discharge of the veteran or the transfer to the other service. Is not that correct?

Mr. GREGG: Yes.

Mr. MUTCH: If I understood the hon. member for Nanaimo correctly I want to know, if the man leaves the service any time before that ten-year period has expired, whether all these rehabilitation credits which he has not used will be applied on application?

Mr. BROOKS: I do not think you can wait ten years to apply for a university course. That is what the hon. member for Nanaimo was speaking about particularly. I think it was eighteen months, was it not? You cannot wait ten years for an educational course.

Mr. GREGG: Not the educational course; but his re-establishment credit and his gratuity would be available to such a man as the hon. member for Nanaimo suggests.

Mr. MUTCH: If he applies within ten years.

Mr. GREGG: Up to the period of ten years, which is now laid down. A plan is being worked out, for instance, in the engineers where university officers in the engineers can complete their university training within the service. Furthermore, classes are being worked out for education of other ranks.

Mr. PEARKES: That is an entirely different matter.

Mr. ROSS (St. Paul's): I suppose I am going to be quite out of order. I have listened to some of the debate which has gone on, and I think this might be a constructive suggestion. We have quite a lot of difficulty at the present time in getting volunteers for the navy, army and air force. We are below strength. Under the circumstances today, Canada should do something to see that she is able to defend herself. My suggestion is that in Canada at the present time we should have universal volunteer training. I do not know what I should suggest as the length of time that we should have it. I suggest perhaps a year or a year and a half. During that year or a year and a half we should have universal volunteer training. This is not conscription or anything like that. We should take into the navy, army and air force men who have finished their high school courses or perhaps those who have finished their first year course at the

university. I suggest to the minister, who knows something about education, that perhaps it is a wise thing to have a boy go to university for one year and then go out and earn his living and come back to university. That system would give him a better understanding of what earning a dollar means.

My suggestion is that we formulate some plan for the defence of Canada and that we give these boys, during the period of their voluntary training, schooling which will be equivalent to whatever year they are in in high school or matriculation or something like that. If they are in arts they could carry on the first year of arts or the first year of science. Give them something that will carry them along that year and make it worthwhile. It will take a lot of money, but if we do that we shall get the voluntary force which will be needed to defend Canada in case of necessity. I want to repeat that this is voluntary.

One of the main reasons I have for speaking about this matter tonight is this. We have the threat of communism on us in Canada today. What we must have in Canada as soon as we can get it, to combat any subservient activity which may come along, is loyal subjects. We must have people who voluntarily are willing to defend their country in time of trouble. I am not talking about having them voluntarily defend their country in time of war outside Canada. That goes without saying, because we know that every man, woman and child in this country, in the case of war, outside, would jump into the fray and defend Canada.

The DEPUTY CHAIRMAN: Order. The hon. member was quite correct in the statement that he would be out of order. What is before the committee at the present time is the following resolution:

That it is expedient to present a bill to amend the Veterans Rehabilitation Act by extending the allowance of provisions in respect to persons coming under the provisions of the act.

I hope the hon. member will confine his remarks to the resolution.

Mr. ROSS (St. Paul's): I am making this suggestion—

The DEPUTY CHAIRMAN: The hon. member is not in order in discussing matters that are not before the committee at the moment. He admitted himself that he would be out of order. That is not the proper thing for the hon. member to do, to continue speaking when he knows he is out of order. I hope he will deal with the resolution.

[Mr. Ross (St. Paul's).]

Mr. ROSS (St. Paul's): The resolution is to extend vocational training. I think that is what it is.

The DEPUTY CHAIRMAN: Has the hon. member the resolution before him?

Mr. ROSS (St. Paul's): No.

The DEPUTY CHAIRMAN: I have read the resolution to the hon. member and I hope he will confine his remarks to it.

Mr. GREEN: Could the minister deal with some of the matters raised while the Speaker was in the chair?

Mr. ROSS (St. Paul's): I have just a few more words to say. I think I have made myself clear. I suggest that the act will probably need to be so framed as to take care of the points I have suggested. I think my idea is a good one, that in time of trouble we should have loyal people in the country. If, therefore, we have many of these men attracted into what I call voluntary universal training for one year—

The DEPUTY CHAIRMAN: Order.

Mr. ROSS (St. Paul's): —I think we shall have a good many loyal citizens.

Mr. GREGG: I should like to refer once more to the remarks of the hon. member for Nanaimo. The limitation in the date of discharge is September 30, 1947, which applies only to those things in the Veterans Rehabilitation Act such as training. That is one which is tied in with that date. Then there are out-of-work allowances, allowance while temporarily incapacitated, and allowance while awaiting returns. There are others to which that date has no relation, such as gratuities. The member of the active army who served in this last war may get his gratuities at any time if he has not received them. That, therefore, is clear. Then there is the re-establishment credit. As it now stands, he may get it at any time within ten years from the date of discharge, or within ten years from January 1, 1945, whichever is the later. Then there is the Veterans Land Act, in respect of which at the present time there is no time limit. Does that answer the question?

Mr. PEARKES: I will wait until I see the bill before answering that question.

Mr. GREGG: On the point raised regarding student veterans at universities, I am not going to discuss that at any length, except to say that across Canada there is a great variation in costs just as there is a great variation in the thriftiness of the students

themselves. As I understood it—I may have been wrong—this plan was developed as an effective federal scholarship for veteran students. Let us take the maximum, or less than the maximum. The maximum tuition has been $500 and, if it is more now, it will be paid, but the average tuition across Canada is in the vicinity of $300. There is $60 a month for a normal eight months period, which is $480. So that the veteran has a scholarship of $300, plus $480, or $780, and that applies, whether he is single or married, to the veteran himself.

This increase was designed to assist the married veteran and to make it more possible for him as a married man to take care of his dependents. True, he did not have to get married, but to my mind it is a great advantage to the country that the young men who are at the universities are finding it in the main possible to get married and to have children; and I believe that when they come through with their war service and their university training, together with their initiation in domestic experience, they will be valuable citizens.

I know that in some parts of Canada, in the large centres, there is some hardship even yet for some individual married students, and there is as well, in some cases, for single students. The single student is able at this time of the year, or he will be in a few weeks' time, to reduce his expenses and his responsibilities. He can go and work for the whole summer. He can get work of some kind, quite often along the lines of his expected profession, and he is able to return in the autumn with at least some surplus money to act as a backlog for the coming session at the university.

Mr. GREEN: I think it is more difficult this year.

Mr. GREGG: It is more difficult for them to get the type of work that is closely related to their university training, but there is work that can be got which would enable the single man to make a good deal more than it will cost him to live. On the other hand, the married man has to retain an establishment somewhere, normally at the place which he has found, or which has been found for him, within the university precincts or within the university community. Failing this, he has to send his small family home, which costs money. It is a rare case in which the married student veteran can get through the long summer holiday with very much of a surplus for the coming year.

Mr. BROOKS: What are the reports as to summer work for students this year? Will there be 100 per cent work obtainable, or what is the proportion?

Mr. GREGG: We have not had any definite reports in that regard and we shall not have until the holidays begin, because there is a great deal of last-minute employment. There is the closest possible co-operation between the labour department, through the employment offices across Canada, and the counselling service within the universities, which normally has, as a part of the service, a full-fledged employment bureau. The Department of Labour often has in the larger universities a full-time, or, in the smaller universities, a part-time representative meshed in with the university employment office, upon which normally the students' representative council has a quota of representatives. This assists in placing students.

There are sent from Ottawa through the employment offices of the Department of Labour to the universities lists of opportunities for summer employment. Instead of their being posted up casually, they are studied by the employment officers of the university and the students' representatives. The veterans affairs representative also has a part in the work with the Department of Labour. An attempt is being made to sort out the summer opportunities to fit the type of training the veteran student is taking, so that, if it is engineering he is taking, for example, he may get some kind of work related to engineering, and so on. I must admit that the opportunities in the applied science field are much greater than they are in the field of pure arts and science.

Mr. GREEN: What about the permissible earnings?

Mr. GREGG: The permissible earnings still stand at $75 a month for the veteran. A married man may earn $75 a month and his wife may earn $75 a month. But those restrictions apply, of course, only while he is actually at the university, or approximately eight months a year. The reason this was set up was, I think, to assist the student to keep in mind the importance of what he was doing, that the task he was undertaking at the university had the topmost priority, that his work there under the assistance of the government was important and the help he received was intended to assist him to get his training in the shortest possible time, rather than that he should be employed in the town and that the university work should be of secondary consideration.

I should like to add one other factor and that is that for any veteran student, in an emergency, there is still available a loan to keep him, if he is a good student, from having to leave on account of financial shortage.

Mr. GREEN: Apparently the students do not like to go into debt.

Mr. GREGG: Nobody does.

Mr. GREEN: I believe there is a great reluctance among the students to incur indebtedness in order to finance their courses. Surely the department has control over the progress made by students. I think that is one of the features of the whole plan. If the veteran does good work, if he gets within a certain percentage or is fairly close to the top, he can get the benefit of a longer period than his service calls for. I think there is an effective check on the work being done by the students in universities. I doubt whether it is necessary to restrict the amount they may earn. In some cases the veteran or the veteran's wife might well be able to earn enough money to make it a great deal easier for the family to get by.

Another point is this. If this training is in the nature of a scholarship, there should be no ceiling placed on earnings. You do not say to a scholarship holder that he can earn only so much out of his university time. I cannot see why it should be necessary to impose these restrictions on earnings, and I would ask the minister to give some consideration to removing them.

Mr. GREGG: I should like to comment on that. I do not intend to do so in full at the present moment, because there will probably be another opportunity to do so. I should like to say that, on that point of the earnings and on every other point affecting the students at universities, my predecessor arranged for a university advisory committee to the Minister of Veterans Affairs, composed of the heads of representative universities, which met regularly every quarter, I think. All those points and more have been discussed by that committee. As I look over the record, I see that in the main, the point of view of that committee has been taken on this point as well as on many others.

Mr. SKEY: Does the minister intend to permit representatives of the university students' federation to appear before the veterans affairs committee?

Mr. GREEN: He cannot stop them.

[Mr. Gregg.]

Mr. GREGG: If the committee so wish, I have no objection.

Mr. MUTCH: That is for decision by the committee.

Mr. GREEN: Will the minister say something with regard to training for veterans of the first war?

Mr. GREGG: I cannot say anything, except that it is not now included in the act. I should like to consider that further and discuss it at another time.

Mr. BROOKS: I should like to ask the minister a question with reference to a matter which was brought to my attention the other day. It has to do with a veteran of two wars who had two sons also serving, but who had served only, we will say, a year and a half or two years, not giving them time enough to complete a full university course. The representation which was made to me was that, where the father of these boys had served, they felt that the department should allow the time which he had earned for university training, and which, of course, he was not able to take on account of his age, to be passed along to his sons who had not earned sufficient time. I should like to have the minister's comment on that and see what he thinks of that proposition.

Mr. GREGG: The proposition is not new. It has been suggested in other connections. But it has been decided, and I cannot see any other way around it, that the benefits under this act must be tied to the individual veteran and not transferred even to members of the family.

Mr. BROOKS: That is a final decision, is it?

Mr. GREGG: Yes.

Resolution reported, read the second time and concurred in. Mr. Gregg thereupon moved for leave to introduce Bill No. 200, to amend the Veterans Rehabilitation Act.

Motion agreed to and bill read the first time.

The ACTING SPEAKER (Mr. Golding): When shall the bill be read the second time?

Some hon. MEMBERS: Now.

Mr. BROOKS: Next sitting of the house.

The ACTING SPEAKER (Mr. Golding): Next sitting of the house.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 10, respecting the appointment of auditors for national railways.

He said: Mr. Speaker, this is the annual bill seeking the appointment of auditors for the Canadian National Railways. The firm of George A. Touche and Company, chartered accountants, with offices in Toronto, Montreal, Winnipeg and other cities, have been appointed for the last number of years and have been doing the work of the Canadian National Railways with satisfaction. There are many advantages in having a continuous accounting of the affairs of the railways, and it would be inconvenient if the auditors were changed, because the work must be of a continuing nature. Again for the year 1948 this bill seeks the appointment of the same firm of auditors.

Mr. A. M. NICHOLSON (Mackenzie): I should like to draw the attention of the house to the debate that took place a year ago when a similar resolution was under consideration, during which the hon. member for Vancouver North (Mr. Sinclair) made what I considered a very reasonable argument with a view to having this important work done under the direction of the auditor general rather than by this particular firm of chartered accountants. I have had some contact with this firm since I have been a member of the committee that has examined the operations of the Canadian National Railways, and I have no criticism whatever to offer with respect to the auditing that has been done by the George A. Touche Company. But, as the hon. member for Vancouver North argued a year ago, there is no good reason why this work might not be undertaken and completed by the auditor general. Last year the minister gave the reasons he thought were important, but I do not think the defence made by the minister was very reasonable.

Mr. CHEVRIER: The house agreed with it.

Mr. NICHOLSON: Yes, the house did agree with it; but I think no great problem presents itself in asking the auditor general to take over the job. The book-keeping of the Canadian National Railways has been done very carefully over a period of years, and there is no reason under the sun why the staff of the auditor general could not perform this service. I feel that the views we expressed a year ago apply with equal force this year. I draw Your Honour's attention to the amendment I moved a year ago, which is found at page 1910 of *Hansard* for March 31, 1947. At that time I referred you to page 228 of Beauchesne, third edition, citation 657, which was my authority for moving the amendment. So this evening I would move an amendment in exactly the same terms, seconded by the hon. member for Melfort (Mr. Wright):

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

"this bill be not now read a second time but that it be resolved that in the opinion of this house the government should give consideration to the making of provision for the auditing of the accounts of the Canadian National Railways to be done by the auditor general of Canada."

Mr. CHEVRIER: Perhaps I should say a word in reply to the remarks of the hon. member for Mackenzie (Mr. Nicholson). I need not amplify what was said on the subject last year, but I am surprised that the hon. member should move the same amendment, giving the same reasons, when the amendment was defeated last year.

The reasons that it would not be in the public interest to have the auditor general audit the accounts of the Canadian National Railways are, first of all, that the auditing should be a continuing process. If the auditor general were to do the work he would have to set up a specific and separate staff to look after the special work of the railway. Again, the Canadian National Railways have offices in the United States. George A. Touche and Company have offices in various centres of the United States where the Canadian National Railways operate, and by means of these representatives are able to do the work far more efficiently than the auditor general could. I understand that a staff of some thirty or forty are assigned to the Canadian National Railways, of whom many attend exclusively to this particular job of auditing. The auditor general would be in exactly the same position and would have to employ a separate staff.

For these reasons and many others I gave during the debate last year, I think it would be against the public interest to have auditors other than the present firm, who have given entire satisfaction to the railways and, I think, to parliament as a whole.

Amendment (Mr. Nicholson) negatived on division.

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

Section 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed, on division.

RAILWAY GRADE CROSSING FUND

INCREASE IN AMOUNT TO BE APPROPRIATED FOR NINE YEARS FROM APRIL 1948

Hon. LIONEL CHEVRIER (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to increase the amount to be appropriated for the railway grade crossing fund from $200,000 to $500,000 each year for nine years, commencing on the first day of April, 1948.

He said:

The object of this resolution is to increase from $200,000 to $500,000 the amount paid into the grade crossing fund. Last year, 1947, there was passed an amendment to the Railway Act which provided for the payment into the railway grade crossing fund for a period of ten years an annual amount of $200,000. It has been thought advisable in 1948 to increase the payment from $200,000 to $500,000, because there are many projects now before the board of transport commissioners, involving large grants from the fund. It was felt that, with the grade crossing fund standing at the amount at which it was during the greater part of 1947, and again in 1948, the appropriation should be increased. There are, of course, special votes which are made from time to time by the house, which have to do with special projects involving grade crossing features.

This resolution will seek not only to increase the appropriation to the grade crossing fund but to amend the Railway Act in perhaps three or four different ways. They are amendments which have to do with the construction of cables under highways, with giving to the board the same powers in all municipalities which it has in towns and cities, and two other minor amendments which I need not discuss until we are in committee on the bill.

Mr. KNOWLES: Will the minister at some stage of debate give us information respecting prospective grade crossings which might be carried out?

Mr. CHEVRIER: When we get into committee on the bill I think I shall be able to give the hon. member as detailed information as is in my possession at that time.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Resolution reported, read the second time and concurred in. Mr. Chevrier thereupon moved for leave to introduce Bill No. 201, to amend the Railway Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. FOURNIER (Hull): On Monday we shall have the third reading of Bill No. 138, to amend the Export and Import Permits Act; the second reading of Bill No. 198, to amend the Dominion Elections Act, 1938; the resolution in the name of the Minister of Labour for the introduction of a bill to amend the Vocational Training Co-ordination Act, 1942; a resolution in the name of the same minister to introduce a bill to amend the Unemployment Insurance Act, 1940; the second reading of Bill No. 149, to amend the Animal Contagious Diseases Act, and, if there is time, we shall take up the second reading of other bills and resolutions on the order paper, at the convenience of members.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, April 19, 1948

The house met at three o'clock.

GOVERNMENT ANNUITIES

REDUCTION IN INTEREST RATE USED IN COMPUTING PURCHASE PRICE

Hon. HUMPHREY MITCHELL (Minister of Labour): I should like to table copies of orders in council P.C. 1713 and P.C. 1714, dated April 16, 1948, each having to do with operation of the Government Annuities Act.

Mr. KNOWLES: Shame.

Mr. MITCHELL: My hon. friend said "shame" before I read the statement. These socialists make me smile; they always want to run everything in reverse.

Mr. KNOWLES: That is what this is, a step in the wrong direction.

Mr. MITCHELL: The orders have changed the rate of interest to be used in computing the purchase price of annuities from four per cent per annum to three per cent per annum, compounded yearly. In other words, it is a reduction in the rate allowed on money paid for purchase from four to three per cent.

Changes have been made in the mortality table to be used in computing the purchase price of annuities and direction given as to the interest rate and mortality table to be used in calculating the liability for any annuity. Provision has also been made for necessary alterations resulting from these changes in the forms of application for annuities.

The change in the interest rate has been made in order to make it the same as the rate paid on long term government bonds.

The government will, of course, continue to contribute towards the cost of administration of the annuities branch so that, from an investment point of view alone, the purchase of annuities will be attractive. Actually the contribution through the cost of administration will be increasing.

In selling annuities it will be appreciated that the length of life of the purchaser is of vital importance. Recent figures published by the national office of vital statistics of Washington show that the average length of life of the American people in 1945 reached a new high of nearly 66 years. This was two and a quarter years more than the corresponding figure in the immediate pre-war period and 16⅔ years above the level prevailing at the beginning of the century.

Canadian experience probably approximates that in the United States and the trend is continuing. The present mortality basis established in 1937 allowed a small margin for improvement in mortality and has measured, with a slight margin, the actual experience. The new mortality basis is considered necessary to provide a margin of safety for contracts maturing in future years.

These orders have effect as of the 19th day of April, 1948, but do not change existing contracts.

The Government Annuities Act is in my judgment an excellent act and I consider it most advisable that it be kept on a sound basis.

Mr. BOUCHER: I should like to ask a question on these orders in council which have just been tabled. Has any change been made in the regulations with respect to the assignment of annuities? In the past certain difficulties have arisen where joint annuities have been taken out. Can the minister tell us whether there has been any change in the situation with respect to this matter?

Mr. MITCHELL: I think I can say to my hon. friend that consideration is being given to amendments to the annuities act, and I shall bear his observation in mind.

Mr. HARRIS (Danforth): Since the minister intends to bear in mind my hon. friend's observation, will he also make sure that no income tax is payable on the capital portion of annuities, present and future?

BRITISH FOOD CONTRACTS

TABLING OF SIGNED AGREEMENTS

Right Hon. J. G. GARDINER (Minister of Agriculture): In answer to a request made by the leader of the opposition I should like to lay on the table two copies of the signed agreements with Great Britain on food.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PRINTING

Mr. PROBE:

1. What was the total amount of printing let by the government of Canada to commercial printing firms in each province of Canada in each of the past five years?
2. What are the names and addresses of firms receiving in excess of $5,000 for government printing in any or each of the past five years, and what amount was paid to each?
3. What value of government printing is it estimated was used in each of the provinces of Canada in each of the past five years?
4. What was paid for freight or express on government printed matter sent out of Ontario or Quebec to other provinces by departments of the federal government during each of the past five years?

Mr. PROBE: With respect to the fourth part of this question, which has been standing on the order paper for nearly two months, it has been drawn to my attention by the department concerned that it will be difficult to get the information in the form in which the question was asked. I therefore wish to drop the fourth part of the question, provided that such explanations as are readily available will be forthcoming.

Mr. SPEAKER: Part 4 dropped; parts 1, 2 and 3 stand.

CANADIAN NATIONAL RAILWAYS—EMPLOYMENT OF W. D. LOWE

Mr. DIEFENBAKER:

1. Was W. D. Lowe, of Montreal, in the employ of the Canadian National Railways in 1938 and 1939.
2. If so, in what capacity and what was his salary in each of said years?

Mr. McILRAITH:

1. Yes.
2. Chief buyer, Montreal office, Canadian National Railways. The question of salary has to do with the internal management of the Canadian National Railways and is of a type that all governments have consistently declined to answer.

TOURIST INDUSTRY

Mr. TIMMINS:

Having regard to the moneys appropriated in the estimates and supplementary estimates to promote the tourist business in Canada in 1948,
1. What amount of money is to be spent (a) for each respective province; (b) for radio services; (c) for newspaper advertising; (d) for the printing and distribution of pamphlets?
2. How many persons are employed directly by the federal department and how much will be spent on salaries?

[Mr. Gardiner.]

3. How many tourist branches have been and will be established?
4. How much money will be allocated for winter tourist business and what specific districts will be advertised in respect of winter tourist business?

Mr. McILRAITH:

1. (a) No money is spent for each respective province. The function of the Canadian government travel bureau is to carry on its advertising and promotional program on a national rather than a provincial basis.

(b) No amount of money has yet been spent for radio services out of the Canadian government travel bureau vote. The question of utilizing radio for travel promotion is, however, continuously under consideration.

(c) For newspaper advertising in 1948 the expenditure will be between $175,000 and $200,000.

(d) For the printing of pamphlets, booklets, etc., the estimated expenditure will be $208,613. Our booklets, maps, etc., are distributed through co-operative agencies all over the United States and in many other countries of the world. Such organizations as the American automobile association and affiliated associates distribute our literature free of cost. Literature is also distributed through Canadian government trade commissioners and ambassadors abroad, and through banks, hotel associations, hotels, travel agents, travel bureaus, etc.

2. Fifty-seven persons are employed by the Canadian government travel bureau. Estimated salaries for 1948-49 will be $91,496.

3. None. The Canadian government travel bureau has not established branches but works directly with provincial tourist bureaus and tourist transportation interests throughout the country.

4. The estimate for our 1948-49 winter tourist advertising has not yet been decided upon.

REPAIRS TO C.N.R. ENGINES IN ST. THOMAS NEW YORK CENTRAL SHOPS

Mr. COYLE:

1. Have the New York Central shops at St. Thomas been making any repairs on C.N.R. engines of the J 1 type in the past year?
2. If so, are they still doing this work?
3. If not, when was the work stopped and for what reason was it discontinued?
4. Has any demand come from the New York Central for continuance of this work?

Mr. CHEVRIER:

The Canadian National Railways advise as follows:

1. The N.Y.C. shops at St. Thomas have not made any repairs to any engine of the J 1 type

in the past year, but some repairs have been made to type S 1.

2. Yes, but the shops are closed down temporarily as a result of the recent coal strike in the United States.

3. See answer to No. 2.

4. No.

AMHERST HARBOUR, MAGDALEN ISLANDS

Mr. CAOUETTE:

1. Has a petition been received by the Department of Public Works for the deepening of Amherst Harbour (Havre Aubert), Magdalen islands, province of Quebec?
2. If so, what decision has been arrived at concerning such petition?

Mr. FOURNIER (Hull):

1. Yes.

2. The project necessitates an extensive examination on the site, which will be undertaken as soon as personnel conditions permit.

ST. LOUIS DE GONZAGUE, QUE., RURAL MAIL SERVICE

Mr. RAYMOND (Beauharnois-Laprairie):

1. Has the mail service on rural route No. 1, St. Louis de Gonzague, been changed or suspended in part?
2. If so (a) since what date; (b) for what reason; (c) when will the Post Office Department re-establish the regular service?
3. Has the mail service on rural route No. 2, St. Louis de Gonzague, been changed or suspended in part?
4. If so (a) since what date; (b) for what reason; (c) when will the Post Office Department re-establish the regular service?
5. Has the Post Office Department received a resolution from L'Union Catholique des Cultivateurs, of St. Louis de Gonzague, protesting against the fact that mail was not delivered daily?
6. If so (a) on what date was the said resolution received; (b) has the government rectified this situation?

Mr. BERTRAND (Laurier):

1. Reduced temporarily to tri-weekly.

2 (a) 10th January, 1948. (b) Contractors for St. Louis de Gonzague Nos. 1 and 2 refused to carry on after 31st December, 1947. Only one person interested in performance of services, but, owing to condition of roads, services could only be performed on alternate days. (c) When road conditions permit use of automobile.

3. Reduced temporarily to tri-weekly.

4. (a) 10th January, 1948. (b) See answer to 2(b). (c) When road conditions permit use of automobile.

5. Yes.

6. (a) 3rd February, 1948. (b) Standing order issued for daily service as soon as road conditions permit use of automobile.

EXPORT RESTRICTIONS

Mr. RAYMOND (Beauharnois-Laprairie):

1. Is the export of powdered milk, flour, butter, lard, cheese and soap prohibited?
2. If so, what are the countries to which such prohibition does not apply, if any?

Mr. McILRAITH:

1. No, except in the case of roller process whole milk powder.

2. As the information is readily available by countries to which exports will be permitted, the answer is submitted in the following form.

Skim Milk Powder.—Permits are being issued under allocation for Newfoundland, British West Indies and Netherlands West Indies.

Spray Process Whole Milk Powder.—Permits are being issued against producers' quotas to any destination.

Roller Process Whole Milk Powder.—No permits being issued.

Butter.—Export permits are issued under allocation to the British West Indies and Newfoundland.

Lard.—Export permits are issued under allocation to the British West Indies, Netherlands West Indies and Newfoundland.

Cheese.—Is under contract to the United Kingdom, but export permits are issued under allocation to the British West Indies and Newfoundland. Arrangements have been made to grant a few special allocations for export to the United States.

Soap.—Export permits are granted under allocation to Newfoundland, Netherlands West Indies and the British West Indies. As of April 15 an export allocation of 2,000,000 pounds of soap of all types was set up for export.

Flour.—Permits are issued under allocation to certain designated countries determined quarterly.

CANADAIR LIMITED—NORTH STAR AIRCRAFT

Mr. SKEY:

1. How many North Star aircraft have Canadair completed?
2. To whom have the above aircraft been sold and how many to each person, corporation or country?
3. At what price per aircraft were these sales made?
4. How many North Star aircraft are (a) under construction on the assembly line; (b) stored in a completed or partially completed state; (c) on order by any government or private concern?

Mr. McILRAITH: Mr. Speaker, it will be seen from this question that it asks for details of the operations of a limited company. As

the company is not a crown-owned company, there is no means of getting this information. However, I might add that last year a good deal of information about the former aircraft plant at Cartierville, Quebec, was given on March 20, and information on that subject will be found at page 1540 of last year's *Hansard*.

Mr. SKEY: I placed this question on the order paper, first, because I understood that the government had a continuing interest in the Canadair plant at Montreal, and second, because of the press controversy and the tremendous public interest in the North Star aircraft and its efficiency in comparison with the DC. 4 at the present time. I feel that if the government can give me any information as to production figures they have every right to do so as a continuing owner of this plant, which will not be paid off for some years. I think I have a right to ask for this information and I would request that the question be left on the order paper until it can be further considered by the government.

Mr. HOWE: Answered.

Some hon. MEMBERS: No.

Mr. McILRAITH: There is no point in leaving the question on the order paper, because the crown does not own Canadair Limited and never has. If the hon. member wants information on the subject of North Star aircraft, and if he will ask about that subject, I shall be happy to get such information as the government has. But he does not ask about that subject; he asks about the operations of Canadair Limited. We have not that information, and there is no method I know of by which to get it.

Mr. SPEAKER: Answered.

Mr. SKEY: Mr. Speaker——

Mr. SPEAKER: Order. The hon. member realizes it is against the rules to permit a debate on a question.

[*Later:*]

Mr. SKEY: May I ask Your Honour what you stated with respect to my question with regard to North Star aircraft?

Mr. SPEAKER: If the hon. member will look at the rules he will find that it is the privilege of a minister to refuse by reason of public interest to answer a question as put. There is nothing for me to do but to accept the word of the minister or his representatives.

[Mr. McIlraith.]

WAR SAVINGS CERTIFICATES

Mr. HANSELL:

Can war savings certificates be cashed without being discounted or without a charge being levied for the service?

Mr. ABBOTT: Yes. War savings certificates may be forwarded postage free to the Registrar, War Savings Certificates, Ottawa. Cheques issued in redemption of certificates may be negotiated free of charge at any branch of any chartered bank in Canada upon satisfactory identification.

SOUTH SASKATCHEWAN IRRIGATION PROJECT

Mr. THATCHER:

Have any plans been concluded by the government to commence construction work during 1948 on the South Saskatchewan irrigation project?

Mr. McCUBBIN: No. Further survey and engineering work is necessary before construction can be considered.

SASKATCHEWAN IRRIGATION PROJECTS

Mr. THATCHER:

During the calendar year 1947, how much money was actually spent by the federal government for (a) surveying and engineering; (b) construction, on (1) the St. Mary's River irrigation project; (2) the Red River irrigation scheme; (3) the South Saskatchewan irrigation project?

Mr. McCUBBIN: Stand, with one correction. In the second part of the question it should be the Red Deer irrigation scheme and not Red River.

Mr. SPEAKER: Stand.

ARGENTINE EMBASSY

REQUEST FOR PROCEEDINGS AGAINST HUMANE SOCIETY INSPECTORS

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Secretary of State for External Affairs. It arises out of a press report that His Excellency the Argentine ambassador has asked the Canadian government, as additional to an apology, to institute proceedings against two humane society inspectors who in performing their meritorious duties allegedly invaded protocol. The question I wish to ask the minister is this: Is the minister in a position to report as to the attitude of the government towards this unusual request?

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I must say I learned with regret of this incident

and of the inconvenience to which the Argentine ambassador may have been put. Then I carefully considered the legal aspects of the matter and came to the conclusion that the Department of External Affairs could not under the circumstances initiate proceedings of any kind. Now my understanding is that when the president of the humane society was apprised of this incident he immediately proceeded to the residence of the ambassador and expressed regrets, and followed that up with a letter, and to these regrets and those expressed by the chief of protocol of the Department of External Affairs I have added my own.

Mr. COLDWELL: As a supplementary question, may I ask to what extent, in the view of the Department of External Affairs, diplomatic immunity overrides municipal legislation, bylaws and so on. The question is interesting to municipalities as well as to diplomats.

Mr. ST. LAURENT: I do not think I should at this time attempt a dissertation—

Mr. COLDWELL: We should like to know some time.

Mr. ST. LAURENT: —on the extent to which diplomatic immunities override municipal legislation. I think that in practice the good sense of all those concerned enables them to find solutions which dispose of any of the incidents that may arise.

HOUSING

QUESTION AS TO SUBSIDIZING CONSTRUCTION OF DWELLINGS FOR RENT

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I wish to direct a question to the Minister of Reconstruction and Supply. Has the minister received a communication from the Canadian association of women voters, Montreal, of which Madame Casgrain is president, in connection with subsidized low rental housing? Could he indicate whether or not Mr. Mansur was expressing government policy when he stated: "The present is a bad time to start subsidized rental housing"?

Right Hon. C. D. HOWE: (Minister of Reconstruction and Supply): I did receive a copy of the letter referred to, sent to me from the Prime Minister's office. In reply to the second part, I may say that government policy has been and will be announced by members of the government.

HEALTH INSURANCE

INQUIRY AS TO LEGISLATION AT THE PRESENT SESSION

On the orders of the day:

Mr. STANLEY KNOWLES (Winnipeg North Centre): I should like to direct a question to the Prime Minister. In view of continuing reports in the Winnipeg *Citizen* and other newspapers, and in view also of the fact that it was in the Liberal party's platform of 1919,—

Some hon. MEMBERS: Order.

Mr. KNOWLES: —may I ask the Prime Minister whether the government is yet in a position to say whether health insurance legislation will be submitted at this session of parliament.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In view of the extent of the preliminaries to the hon. member's question, I shall have to read it over before I can give an answer.

Mr. KNOWLES: You have had only twenty-nine years.

CZECHOSLOVAKIA

REFERENCE TO APPOINTMENT OF CONSUL IN MONTREAL

On the orders of the day:

Right Hon. L. S. ST. LAURENT (Secretary of State for External Affairs): Mr. Speaker, I should like to answer a question asked by the hon. member for Lake Centre (Mr. Diefenbaker) when I was absent on official duty elsewhere. On Thursday the hon. member referred to the appointment of Doctor Evzon Syrovatka, consul for Czechoslovakia in Montreal, and the question was in this form:

> Is this the same man who was declared persona non grata to the United States government for alleged subversive activities, and if so, was the government of Canada consulted before the appointment was made?

The answer I wish to make is this. Doctor Evzon Syrovatka was formerly an officer of the Czechoslovak embassy in Washington. The United States government recently informed the Czechoslovak embassy in Washington that he was persona non grata but it is not the fact that the United States government alleged that he had taken part in subversive activities. We have made careful inquiries and have received no information which would lead me to conclude that Doctor

Syrovatka would in any sense be an undesirable or unreliable Czechoslovak consular representative in Montreal.

In accordance with normal diplomatic practice, the chargé d'affaires of the Czechoslovak legation in Ottawa has requested the Canadian government to give provisional recognition of Doctor Syrovatka as consul in charge of the Czechoslovak consulate general in Montreal, pending the arrival of his commission of appointment, when a request will be made for an exequatur for him.

I might add that we are informing the Czechoslovak chargé d'affaires that his request for provisional recognition of Doctor Syrovatka has been granted.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. G. A. CRUICKSHANK (Fraser Valley): May I direct a question to you, Mr. Speaker: in view of your ruling that in future no exhibits be allowed in the house, does the decoration worn today by the hon. member for Stanstead (Mr. Hackett) come under that ruling?

H.M.C.S. "MAGNIFICENT"

REFERENCE TO ARTICLE IN TIME MAGAZINE

On the orders of the day:

Mr. J. G. L. LANGLOIS (Gaspe): I wish to direct the following questions to the Minister of National Defence. First, has his attention been called to an article in *Time* for April 19, on H.M.C.S. *Magnificent,* and is this article based on information received from the Department of National Defence? Second, are the statements in the article correct?

Hon. BROOKE CLAXTON (Minister of National Defence): In answer to the first question, Mr. Speaker, I would say that the article is partly derived from facts given to the correspondent of *Time* by the press officer at National Defence headquarters. These were not fully or correctly reported, certain of them having been lifted out of their context, while certain other information gathered from other sources is incorrect.

In answer to the second question, I would say that most of the statements in the article are not true, and because they are misleading and because of the possible effect on the services, I should correct them.

The article says:

> Because budget economies have hit the air divisions hard, less than half of its 125 pilots are fully qualified.

[Mr. St. Laurent.]

There are 130 pilots in the Royal Canadian Navy, not 125 as reported. Economies had nothing whatever to do with the proportion of pilots who are qualified. Although trained as pilots, there are 38 pilots who have not yet been fully trained for carriers; twenty-nine per cent, not fifty per cent as reported.

The article goes on:

> Its pilots are R.C.A.F. trained. For their flying service they may choose the navy if they prefer. Few do, for there is no special flight pay to attract men to the navy's air arm.

The fact is that there is a combined R.C.N. R.C.A.F. training schedule. whereby the R.C.A.F. trains pilots for the navy up to "wings standard," and the navy provides advanced operational and deck-landing training. But both pilots and observers enter the R.C.N. before training: neither is transferred from the R.C.A.F. during any stage in the training, as stated in *Time.* Contrary to *Time,* aircrew in the R.C.N. receive flying pay at the same rate as aircrew in the other two services—that is, $30 per month additional.

The article states that the two squadrons "will have an operational strength of only 18 aircraft against a regulation 40." The figure 40 is wrong. In addition to the 8 Sea Fury fighters and 10 Firefly IV fighter-bomber-reconnaissance aircraft of the latest operational types borne on H.M.C.S. *Magnificent,* there are at present 8 Sea-Fire fighters and 10 Firefly I fighter-bomber-reconnaissance aircraft at Dartmouth.

There are two more squadrons at Dartmouth, composed of miscellaneous types, for aircrew training and other necessary services.

In addition to the Sea-Furies now on H.M.C.S. *Magnificent,* we are awaiting delivery of a further number which have been on order for some time to provide reserves and spares for the fighter squadrons. Sea-Furies have an announced cruising speed of 300 miles per hour and a top speed of over 450 miles per hour. They are among the most modern and effective carrier-based planes. The use of jet-propelled aircraft from carriers is still in the experimental stage, and the purchase of the Sea-Furies is in line with the policy of keeping abreast of the best available equipment.

I should add that there is a steady need for additional officer personnel in the fleet air arm. The requirements are graduation from Royal Roads, Royal Military College or a university, for permanent officers, and senior matriculation for short service commissions.

BUSINESS OF THE HOUSE

INQUIRY AS TO INTRODUCTION OF LEGISLATION RESPECTING CO-OPERATIVES

On the orders of the day:

Mr. T. J. BENTLEY (Swift Current): I should like to direct a question to the Prime Minister. Will he inform the house if the government proposes to introduce at this session any legislation with respect to co-operatives such as was promised in the 1919 platform?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall have to look up the 1919 platform.

Mr. KNOWLES: May I send a copy over to the Prime Minister?

Mr. SPEAKER: Order.

POSTAL SERVICE

VETERANS PREFERENCE FOR POSTMASTERS

On the orders of the day:

Mr. J. H. FERGUSON (Simcoe North): I should like to address a question to the Postmaster General. Is it the practice of his department to give the preference, everything being equal, to returned soldiers in the appointment of postmasters in suburban areas? If so, why was a man who came here eleven years ago from Ireland given a preference at Phelpston, Ontario, over a flying veteran who served for five years in the recent war?

EXPORT AND IMPORT PERMITS

AMENDMENT TO PROVIDE PENALTY FOR FURNISHING FALSE OR MISLEADING INFORMATION

Right Hon. C. D. HOWE (Minister of Trade and Commerce) moved the third reading of Bill No. 138, to amend the Export and Import Permits Act.

Motion agreed to and bill read the third time and passed.

VOCATIONAL TRAINING

EXTENSION OF 1942 ACT TO UNEMPLOYED PERSONS NOT APPLICANTS FOR UNEMPLOYMENT INSURANCE

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Vocational Training Co-ordination Act, 1942, to extend vocational assistance to unemployed persons although such persons may not have applied for insurance benefits under the Unemployment Insurance Act, 1940.

Mr. COLDWELL: Is the intention of the minister to make a statement?

Mr. MITCHELL: Yes, Mr. Speaker, I think I should make a brief statement at this point.

The Vocational Training Co-ordination Act, 1942, was designed to provide legislative authority for the carrying out of the various forms of training in connection with the prosecution of the war, for the training of discharged members of the forces, and for forms of vocational training or assistance for vocational training foreseen as being desirable in the post-war period.

The act provides that all training may be undertaken by provincial authorities under agreements between the dominion and provincial governments providing for financial assistance by the dominion. Experience has shown that the provisions of the act in this respect have been entirely adequate to meet the situations and to provide the training for which it was designed.

From the inception of the act, the most important program was the war emergency training for war workers and tradesmen for the armed forces, and then the training of veterans preparatory to their return to civil life. A splendid job has been accomplished in these two fields through the joint efforts of the local and provincial educational authorities in co-operation with the Department of Labour. I regard our arrangements and relations with the provinces, for the carrying out of the provisions of the Vocational Training Co-ordination Act, as a most satisfactory example of what can be accomplished by dominion-provincial co-operation.

There has been established under the act a vocational training advisory council which includes representatives of the provinces, employers and labour and other interested groups. The work of this council has been of great assistance in the administration of the act.

One of the provisions of the act empowers the Department of Labour to undertake a training program or to enter into agreements with the provinces for the operation of a program, to fit for gainful employment persons directed for training by the unemployment insurance commission. Under the Unemployment Insurance Act, however, the only unemployed persons whom the commission may refer for vocational training are persons who are entitled to draw unemployment insurance benefits. Thus there is no provision under the Vocational Training Co-ordination Act for training of persons who have exhausted insurance benefits or have not been working in

insurable occupations. It is proposed to broaden the scope of the training provisions of the act so that vocational training may be provided in approved cases. The idea is to fit those concerned to secure gainful employment offering better chances of permanency than they previously have had. This is the purpose and effect of the amendment to the Vocational Training Co-ordination Act, which is now being introduced.

Up to the present, fortunately, it has not been necessary to make very much use of the provision for the training of unemployed persons, because, outside of seasonal and temporary lay-offs, there has been little unemployment in Canada since the termination of the war in 1945. However, it is desirable to make provision for such training so that it may be provided when required.

This program for training of unemployed persons has been discussed with the provincial authorities and all provinces have expressed their willingness to co-operate with the dominion in plans for such training.

I think it will be of interest to members of the house to have some particulars of the training activities being carried on at the present time under the Vocational Training Co-ordination Act. First, there is training of discharged members of the forces as approved by the Department of Veterans Affairs. This is carried on in all provinces under the re-establishment training agreements. The dominion reimburses the provinces for one hundred per cent of these training costs. Second, we have youth training and assistance to students. This type of training was formerly carried on by the provinces with financial assistance from the dominion under the Youth Training Act, which was superseded by the Vocational Training Co-ordination Act. The youth training agreement is in operation in all provinces and the approved training costs are equally shareable by the dominion and the province. The program was initiated during the depression years. In recent years the dominion and provinces have joined in a wide range of courses for rural young people, both men and women, financial assistance to university students and nurses in training in hospitals.

We also have agreements with the provinces for either full-time or part-time training classes for apprentices indentured under provincial apprentice legislation. The training has been generally applicable for the building and construction trades. At the present time this plan is in effect in all provinces except Prince Edward Island and Quebec. The approved training costs thereunder are shared equally by the province and the dominion.

[Mr. Mitchell.]

Another phase of our work is assistance to vocational schools. The financial contribution provided under agreements with the provinces is a continuation in modified form of the provisions of the former Technical Education Act of 1919. The agreements cover the carrying on and expansion of vocational training on the secondary school level and are in operation in all provinces. The costs are shared equally by the provinces and the dominion. Under the terms of the agreement, a fixed amount is allotted to each province for each fiscal year.

I have referred to the training of unemployed persons generally, which is the proposal under the bill to be introduced.

Since the passing of the Vocational Training Co-ordination Act, up to January, 1948, the gross total of enrolments in vocational training projects was 662,896. This total is broken down as follows:

Workers for war industry	181,686
Supervisors and foremen in industry	150,844
Navy tradesmen	9,056
Army tradesmen	49,362
Air force tradesmen	65,214
Youth training schedules	50,776
University students and nurses	13,209
Correspondence training to apprentices, approx.	10,000
Discharged members of the forces (men and women trained since end of war)	132,349
Unemployed civilians—approx.	400

Of the discharged members of the forces enrolled for training, 2,103 have been in correspondence courses; 17,359 have been enrolled in private trade schools and business colleges; 28,746 have been enrolled for training on the job in industry; 29,358 have been enrolled in pre-matriculation classes; 54,783 have been in the regular vocational training classes. Veterans in the last two categories have been trained in schools under the supervision of the Department of Labour and carried on in co-operation with the provincial governments.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I believe this vocational training scheme is one of the most important and most interesting projects undertaken by joint agreement between the provinces and the dominion, and every encouragement should be given to the improvement the minister says is contemplated under this measure. While what he says is perfectly true, that up to the present time it has not been necessary to broaden it in the manner he suggests, since there has been little or no unemployment, obviously the high peak of demand may end within a measurable period or time. We have the Marshall plan going into operation which may defer it, but even if deferred for a year or

two I think it is worthwhile making preparations now for the conditions that may arise afterward.

The defect I see in most projects of this description is that we train people in our universities for certain specialized vocations; we train them in our vocational schools and under such schemes as this, but we have no method of so arranging our future industrial and economic projects that we can guarantee them something to do when they have taken the training. It seems to me this is something we must think about, particularly in the future. Should there come a period of unemployment we cannot face again the prospect of having unemployed a large number of young people in our country, adequately trained to do jobs that are necessary to the welfare of the community. If we do, there will be not only a great deal of distress but a great deal of social difficulty. I suggest to the Minister of Labour that attention be given by the department to this phase of the matter.

One of the most satisfactory projects under this plan in the past has been the training of young people in our rural areas. Those of us who are acquainted with what has been done at some rural points in our provinces are appreciative of the fact that, really for the first time, training of this kind has been placed within reach of young people in the rural areas and on farms. Of course I realize that this has been a financial burden on some of the provinces, and that provision of the necessary facilities has imposed a strain on provincial departments of education. When new agreements are discussed, every consideration should be given to more generous aid to the provinces in order that they may carry out this project in the manner in which I am sure all hon. members of the house would like to see it carried out.

The measure when it comes before us should be discussed in the light of doing something for the thousands of young men and women who have taken advantage of this training—I was not aware until the minister gave the figure that such a large number of our service personnel were taking advantage of it, and I think it is a splendid thing to have such a high percentage of them enrolled.

Mr. MITCHELL: The number is 132,349.

Mr. COLDWELL: When we consider that this is in addition to the large number who have taken advantage of educational grants under the Department of Veterans Affairs we realize that coming out of this war there will be a group of young men and women better equipped to play their part in the economic and social life of the country than we have ever had before. That I think is an important fact in view of the conditions which this country may face in the future, when we expect our population to increase by immigration. Provided that we can find a satisfactory means of livelihood for those who come in, such immigration is to be welcomed, and it is well that we should have a well-organized and well-equipped group of young people who will be able to give leadership to those who have not had similar opportunities. If we get that much out of the war we shall have something that is really constructive. War is destructive in so many ways that a project which gives some hope for the future development of our country, both economically and socially, should be supported by all members of the house.

I shall be brief, Mr. Speaker, because this is not a subject which I have studied as fully as some other members of our party in the house; as hon. members know, we divide up the work of the session among us, and some members of our party have given particular attention to this matter. But in the first place I do wish to point out that having trained this group of young people to contribute to the economic life of the country, ways and means will have to be found to give them an opportunity to exercise the aptitudes developed under schemes of this kind. I do not think that can be done by any hit-or-miss method. We must find ways and means within our democratic society of so planning our economic life that we can give opportunities to all our people, not only to contribute in the field of industry and labour but to reap the fruits of that industry and labour and thus enjoy improved cultural standards also. I think this is becoming more and more apparent in every country, and it is perhaps because it is not being done in some countries that much unrest is prevalent throughout the world.

In the second place, no undue burdens should be placed upon the provincial departments of education. The costs of education have risen sharply in all our provinces. Teachers' salaries have risen, and properly so. They were lamentably and disgracefully low, and still are in many parts of the country. The cost of equipment has gone up tremendously. School supplies, books, papers, pencils, everything that is used in school, have increased in price, as well as the material required for cleaning and heating the buildings. The departments of education in some of our provinces have greatly expanded their

services. They provide a health service now that we knew nothing about when I started to teach forty years ago.

Mr. MITCHELL: They were real schools that you and I attended.

Mr. COLDWELL: But changes have been made for the better. In my opinion generous aid should be given to the provinces to put this scheme into effect. If they have to increase their facilities, we should assume an obligation proportionate to our greater sources of revenue, which are much wider than those of the provinces.

That is all that I want to say at this stage, Mr. Speaker, but I am quite sure that other members of our party who have given more study to this subject will wish to comment on some aspects of the minister's statement.

Mr. J. H. FERGUSON (Simcoe North): Mr. Speaker, I think this is a very worthy and outstanding plan of training ex-service personnel. I hardly think that our friends of the C.C.F. need have any fear of the future, because while the present government have no plans for increasing employment, and the C.C.F. have none, we of the Progressive Conservative party have a plan and in the near future we shall be in power and be able to fix everything.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I agree with the resolution but I think the statement made by the minister was all too short.

Mr. MITCHELL: The shorter the speeches the more business we get done.

Mr. GILLIS: Had the minister's explanation been a little longer and more informative I might not have found it necessary to get up.

Mr. MITCHELL: The hon. member for Rosetown-Biggar (Mr. Coldwell) and I were taught at school that empty vessels make the most noise.

Mr. GILLIS: The resolution to extend the the Vocational Training Co-ordination Act is all right in itself but I wish to point out a few things which I think were wrong with the act originally.

In the first place, while the minister pointed to the large number of service personnel who had taken advantage of the act, I would point out that a large number of service personnel had no opportunity to benefit by it. I am referring to that group who through no fault of their own were denied the rights which others received. Hundreds of service personnel who came back from the war never had a job before entering the service, and when they applied for vocational training upon their return they found that they did not have the necessary basic education to qualify under the terms of the act, which require an eighth grade education. I know thousands of young boys who did not have that necessary basic education when they enlisted; consequently on their return they were relegated to the ranks of the unemployed, and so far as I know the great majority of them are still there. I refer particularly to my own part of the country.

Mr. MITCHELL: If my hon. friend has any facts to bear out that statement, I should like to have them.

Mr. GILLIS: You should know them.

Mr. MITCHELL: I do not want to interrupt my hon. friend, but provision has been made for those who have not matriculated. I presume that conditions are the same in Nova Scotia as in Ontario, where those who had not matriculated before going overseas were given the opportunity of taking the training.

Mr. GILLIS: I do not want to enter into an argument with the minister, but I have talked this matter over with his officials in the field, and have also discussed it in committees of the House of Commons; and I have pointed out that defect in the act. I am not talking about those who had their matriculation, I am talking about the young fellows who had no more than an eighth grade education. They did not qualify under the terms of this act and nothing was done for them.

I suggested before the war had finished that these young fellows should be given an opportunity to go back to school at government expense in order to obtain the basic education necessary to qualify under this act. Most of these boys were in their bare feet during the depression. Their fathers were working one or two days a week and were not able to send them to school. Through a lack of interest on the part of those in charge of this legislation no provision was made for these boys to be brought up to the standard of education necessary to qualify under the act. I want some understanding on this point before the bill finally goes through the house.

During the war the Department of Labour set up a vocational training scheme and apprenticeship plan in the mining industry. This worked out very well. It was the first time in the history of mining in this country that the Department of Labour or the government had recognized that some training was necessary. Prior to the war the conception

of coal mining was that all that was necessary was a broad back and a weak mind. Then it became a matter of production essential to the war, and interest was taken in this industry. It was found to be a technical operation. You have to know something about ventilation; you have to know machinery; you have to know something about compressed air. All these things required study. The Department of Labour set up an apprenticeship plan under which boys would be sent down into the mine under proper supervision to be given a course of instruction for six months. That did not cost very much, because the coal produced by these young fellows during their apprenticeship period offset the cost of their training.

This plan was carried on during the war but as soon as the war finished the legislation was abandoned and the plan folded up. With the fuel situation in this country as it is, with our complete dependence upon the United States, the time has come when this industry should be developed. I think the Minister of Labour should have continued this legislation in connection with the coal mining industry and carried on the apprenticeship plan that was carried on during the war. If the industry is developed, this country could be made as nearly independent as possible of coal supplies from the United States. When the minister brings up this bill for second reading I want him to say something about that.

There is another point on which I want information. Unless the minister has the complete co-operation of industry in this country this legislation will be ineffective. I shall give him a case in point about which I have been writing him for the last two years. We have not got anywhere with it, but in this particular instance it is not the fault of the government. A group of service personnel came back to my home town. Prior to going into the service they were taking training in a large machine shop of the Dominion Coal Company. During the period of the war they were out. When they came back they were unable to come under this vocational training scheme because the company would not sign a contract with the government.

A government grant would have augmented the wages they were getting under the company apprenticeship plan. The result was that these fellows were losing from $1.50 to $2 per day. The government was quite willing to pay them but the company would not sign a contract. As I say, unless you can get the co-operation of industry this legislation will not be very effective.

My understanding of the terms of the resolution is that unemployed, regardless of whether they are service personnel or not, will be given vocational training in training camps or be placed in industries which have a vocational training set-up. It would not be a bad thing to make a start down in that end of Nova Scotia, because it is practically an unemployed camp today. There are 27,000 unemployed in the maritimes, and there is not a school I know of down there doing any kind of job in that field. I hope the minister is thinking in terms of something like that.

Unless you can offer these young fellows employment there is not much use in training them. That would mean just getting them off the streets for a short time. I want the minister to tell the house what they are going to do with the 27,000 unemployed in the maritimes even after they have been trained. There is no use in training them as machinists, or what have you, if after their period of training they are to be relegated to the ranks of the unemployed. Unless you have some program of employment for the unemployed in that part of the country there is no use in applying this palliative of vocational assistance. The whole thing must be considered in its relation to the prospects of employment after a man comes out of training.

I think the minister will have to make a more detailed statement before the bill goes through the house. Personally I want to know exactly what this proposed legislation means in relation to the 27,000 unemployed in the maritimes. I want to know what they are going to be trained for, the terms under which they are to be trained, and the prospects of employment after the period of training is over. I think the house is entitled to know that.

To just stand up and wave your arms and say that this is another step in the right direction is no good. We in this house should be ashamed to talk about unemployment. We on this half of the North American continent, with a population of 12,000,000, have more natural resources at our disposal than they have on the other half of the continent where the population is over 130,000,000. We should not be talking about unemployment in this country. These people should be put to work, with the world screaming for the production of this continent. It is a reflection upon the intelligence of everybody in this house to be talking in terms of unemployment in this country and setting up a scheme to train the unemployed in order to get them off the streets. These people should be working at producing the goods which the world so badly needs at this time.

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, I do not intend to make a long speech, but there are one or two things which strike me as being important.

We are getting back now to first principles. Hon. members will recall the old Jewish nation where every man was taught a trade. Whether or not there was employment, if he had a trade and initiative he could get busy and earn his own living. That is one good thing in favour of this resolution. The other thing is this. When the leader of the C.C.F. (Mr. Coldwell) rises in his place and commends this resolution, it makes me believe that there must be something good in it or he would not commend it.

An hon. MEMBER: Hear, hear.

Mr. McIVOR: Thank you: I am glad you agree with a sensible speaker.

I do not agree with the hon. member for Cape Breton South (Mr. Gillis) that those who have not matriculation standing do not get the vocational training. Perhaps I am not stating it correctly. I have known young men who did not matriculate before they went overseas, but they received the groundwork, and at the end of this month they are graduating. One young man will graduate in electronics, and he did not have his matriculation when he took up the course. When we had our vocational school in Fort William a recommendation was sent forward to the provincial and dominion leaders of vocational training asking that the school should be continued for civilians, but it was not. This resolution is a step in the right direction. If it is any commendation to him may I tell the Minister of Labour that the experts in labour at the head of the lakes will support him thoroughly in this matter, and that is something. The resolution should be strongly supported because it is absolutely necessary.

As the hon. member for Cape Breton South said, we have great resources in this country We have also a government with unbounded initiative, and therefore we are certain to go ahead.

Mr. JOHN R. MacNICOL (Davenport): This resolution is in line with legislation which has been introduced in this house during all the years I have been here, and on every occasion I have supported it. One of the minister's predecessors, the late Norman Rogers, the former member for Kingston, had a very broad vision as to how to make a scheme like this operate. Unfortunately for this country he was taken away before his time. I really believe and did believe at that time that had he lived he would have put into operation schemes to follow up legislation such as this, because this is legislation for the training of young men, and every one of us is in favour of that, whether they are returned soldiers or not. I should say it is for them in particular, but for others as well, because all must make a living.

We must look forward to what these men are to do when they are trained. Today I had a letter from a young veteran from Nova Scotia who has been in Toronto for two or three months. He got out of employment about six weeks ago and I have written on his behalf to ten different companies in Toronto including the Toronto Transportation Commission, to try to get him a job. He had a distinguished record, but in his letter today he tells me that up to the moment he has been unable to get anything to do. This does not speak very well for opportunity, does it?

I know myself that the opportunities for employment are not anything like they used to be. I am not blaming anybody for that. The war is over. During the war multitudes of men were busy at making munitions. These factories are not now making munitions, unless some of them have started doing so again. I hope the minister will couple a program such as this with some other program or direction or body of control which will make it its business to see that those young men are placed in jobs when they graduate from the vocational schools.

On a trip recently I met a father who had three sons in the recent war. When I inquired about these three sons he told me that they were all in the United States. They had all gone to western United States to work on bureau of reclamation projects. Will this legislation include training or teaching in the vocations through which the bureau of reclamation of the United States has been able to provide many thousands of jobs? When the minister speaks again I should like him to tell us whether there will be instruction in the surveying for and the building of dams, and all that pertains to the construction of dams, concrete mixing, steel to be used in the construction of water conservation works and so forth. I know that the Minister of Agriculture (Mr. Gardiner) has a program for western reclamation which, as it develops, will require many thousands of men in the construction of conservation works, irrigation works and all matters associated therewith. Therefore I should like to know whether this vocational training program will provide for the training of men required in this kind of employment.

Everyone knows that a large number of the soldiers who have come back received a great deal of training during the war in actual operation of engineering works associated with the war. This would be very useful to them if they were employed in the construction of

reclamation works in western Canada. Will the program envision the training of men to work on reclamation programs? Will it have to do with the training of young men in the field of oil production? We all know that great oil companies such as Imperial Oil and others in this country are sending quite a number of young men, competent engineers and geologists, to every part of Canada to ascertain if there is oil in the areas into which they are sent. Will this program have to do with the training of young men who can be placed in fields where oil is to be developed, or in places in which oil is now being developed, such as the Leduc field and the Norman Wells field, and so on? I am convinced that besides training them we have to go a step further and make provision for their obtaining employment in the kind of activity toward which their training has been directed.

As a previous speaker has said, there is not much use in turning out trained young men unless there is something for them to do, particularly in Canada, because altogether too many young men are now crossing the line to obtain employment in the United States.

I am anxious to know whether the program will do three things. First, will it train young men for positions in the whole field of reclamation, including flood control works, irrigation works, water conservation works, and so on? Second, will it train them in the field of the promotion and development of oilfields in Canada and in all matters associated with the oilfields? I saw a large number of oilfields during a recent trip I made to the United States, and it was amazing to see the multitude of young men who were working on all sorts of vocations connected with this industry. Will the scheme cover that as well, and will there be some program to see that after these young men have been trained at Canada's expense, they will be provided with jobs in Canada to help to build up this great country?

Mr. F. S. ZAPLITNY (Dauphin): The resolution before us, although apparently it refers to an extension of the provisions of the act, does bring into focus the whole question of federal aid to education.

About two years ago I had the privilege of introducing a resolution in this house asking that the federal government provide financial assistance to the provinces for education. Unfortunately on that occasion there was not time to debate the resolution and bring it to a vote, but those who did take part in the debate agreed almost unanimously that the time had come when the federal government should take further steps in the direction of aid to the provinces generally for education. The act to be amended, should this resolution pass, is the Vocational Training Co-ordination Act, 1942. If the provisions of that act are not too strictly interpreted, assistance could be given over a very wide range of educational activities in the provinces. For example, under definitions, "vocational training" is defined thus:

> "Vocational training" means any form of instruction the purpose of which is to fit any person for gainful employment or to increase his skill or efficiency therein, and, without restricting the generality of the foregoing, includes instruction to fit any person for employment in agriculture, forestry, mining, fishing, construction, manufacturing, commerce or in any other primary or secondary industry in Canada.

According to that definition, there are very few activities in the field of education that could not be brought under this act. I realize, however, that the immediate purpose of the resolution is to extend the provisions of the act so as to cover unemployed persons, although such persons may not have applied for insurance benefits under the Unemployment Insurance Act.

I wish to make an admission: in this respect Manitoba is probably the province most at fault, but unfortunately the provinces have not taken advantage of the act to the fullest extent possible. For example, I have the report on Canadian vocational training for 1946-47 and it shows that in the matter of replacement of depreciated equipment in vocational schools, Manitoba made use of only $8,000 whereas it could have used a great deal more than that under the act. Further, in connection with youth training, I find that Manitoba used only $3,167.59 in 1946-47, whereas it had an allotment of $20,000.

One reason for the failure to make use to the greatest extent of the opportunity afforded is to be found in the fact that the greater part of Manitoba is made up of rural school districts which are organized on the single-district basis, and outside the city of Winnipeg, where there is a different system, it has been difficult for the school districts of Manitoba to furnish even elementary education, what we sometimes call primary education, for the children of the province, to say nothing of going into the technical and vocational branches, which they cannot afford. For that reason, the province has not been able up to this time to make the fullest use of the provisions of the act.

There is, however, an encouraging sign. It so happens that we have now one of the larger-unit areas, taking in a whole group of school districts under one administration. This

happens to be in my constituency, and in the town of Dauphin within the last two years there has been set up what is called the technical school branch. I have seen it personally and I think it can compare with any similar branch anywhere in the province, or perhaps, for that matter, in western Canada. A real attempt has been made to bring technical and vocational education into that part of the province. which is the first step of the kind taken anywhere in Manitoba outside the city of Winnipeg. That is only the first step. Other parts of the province are taking similar steps, thus attempting to provide education of a kind which the individual school districts, organized on their present basis, could not finance.

In Saskatchewan and Alberta they have gone much further in the direction of grouping small school districts into larger areas so as to have a central high school or college in which they can provide the higher forms of education, including technical and vocational training. There is wide scope for the federal government to give assistance.

There might be some dispute if one were to advocate general grants in aid to the provinces for education, because then questions with respect to constitutional difficulties, as well as many other considerations, might enter into it. But there is a clear field in vocational technical training; here there is no dispute as to the right of the dominion to provide assistance, because the act has been in operation since 1942, and I believe the federal government could with perfect propriety enter the field of furnishing equipment and facilities. At present these are the real bottlenecks in the field of technical and vocational training.

It is true there is a shortage of personnel, but the provinces could look after that end of it. Provision of equipment and buildings, which are so expensive these days, is something which the federal government could very well look into.

I should like to put on record a resolution which was passed in December 1946. This is the first opportunity that has presented itself for a debate of this kind of legislation; therefore I should like to put this resolution on the record. It deals with grants in aid for higher education for university students, returned service personnel. It was sent on to us by the Co-operative Commonwealth University Federation, and reads:

> We endorse the policy of federal government assistance to war veterans to enable them to undertake university training;
>
> We condemn the inadequacy of D.V.A. grants which have resulted in great hardship for veterans without other means of income; and we point out that the inadequacy of these grants increases daily with the rising cost of living;
>
> We believe that under no circumstances should the pre-war condition be allowed to return, with thousands of students unable for financial reasons to complete their education;
>
> Therefore we urge that educational grants to veterans be immediately raised to an adequate level, and that plans be laid down now to extend the principle of federal grants in aid for higher education, by means of:
>
> 1. An extensive scholarship system to enable all students of ability to complete their university training;
>
> 2. A program of interprovincial scholarships to enable students in considerable number to complete their education in other parts of Canada, particularly to facilitate an interchange of students between English-speaking and French-speaking Canada;
>
> 3. Federal assistance for students of outstanding ability to study outside Canada, on condition that they return to work in Canada for a specified number of years or repay the state for the assistance provided.

This was passed in 1946 and certain changes have taken place since that time, but in essence what is set out in the resolution still applies. I believe the federal government should give favourable consideration to a plea of that kind.

Mr. W. GARFIELD CASE (Grey North): I will not detain the house very long, but I wish to make this observation. The proposal to provide for vocational or educational training is all to the good so long as it remains on a voluntary basis, that is to say, so long as the applicant can make his own choice. Too often we read that a plan is made by some government or planning authority and the individual is subjected to training which he may or may not desire, with the result that there is a measure of socialism or social planning.

I have every reason to believe that no such provision will be made in this bill under the present Minister of Labour (Mr. Mitchell). But I cannot help listening with concern when I hear the leader of the C.C.F. suggest to this house that we should make this a land of opportunity. The challenge that applies to everyone in this country is to seize the opportunity himself. All too often the tendency is to delegate to some authority the responsibility for planning.

The hon. member for Cape Breton South (Mr. Gillis) suggested that we in this house should be ashamed to talk about unemployment. I do not know that anyone talks about unemployment to any great extent. I suppose there is a certain amount of seasonal unemployment at this time. Surely we are

not going to suggest to the government that they take it upon themselves to direct the employers of labour. As a matter of fact my own considered opinion is that the sooner the government gets away altogether from planning and delegates to the individual himself the responsibility to do a little foraging for himself, the better it will be for the individual. He will retain a sense of personal pride in himself, and no doubt will make a greater contribution to the common national welfare.

I am not prepared to go along with the hon. member for Fort William (Mr. McIvor) in reference to the abundance of initiative that is evident in the government. Nevertheless I feel that we would do well to accept the resolution and proceed to the stage where we shall have an opportunity to examine the bill; because one of the desires of any individual should be so to train and qualify himself that he can make some contribution to society and feel a sense of security in his knowledge of how to make that contribution. Above all, the constant desire of everyone should be to learn how to make a living. That is the measure of success. If you can forge ahead in this competitive world, if you have the initiative, the ambition and the courage to go forward, there is no doubt that this is a land of golden opportunity.

Mr. F. D. SHAW (Red Deer): When the Vocational Training Co-ordination Act received approval in this house we gave it our support. We recognized fully that there was a place for this type of training in Canada. We recognized also that it provides an opportunity for the federal government to lend sorely-needed assistance in the field of education. It is appropriate therefore that I should state that we are also prepared to give approval to any extension of the benefits or opportunities to be provided under the Vocational Training Co-ordination Act of 1942.

While it can be agreed that the hon. member for Cape Breton South (Mr. Gillis) had a point in his reference to unemployment, we must face the fact that we have unemployment and are likely to continue to have a certain amount of it. Therefore the very least we can do is to provide a type of training for the unemployed, and more particularly, as the resolution now states, for those who have not applied for benefits under the Unemployment Insurance Act.

On a number of occasions we have urged that the federal government provide greater assistance in the field of education. We feel that education is something which benefits not only the individual so educated but also Canada as a whole; and more particularly, where we find a free movement of people throughout Canada, we feel that we can ill afford to have one part of Canada obliged to provide a lesser degree of educational opportunity than another. I well recall that when the hon. member for Dauphin (Mr. Zaplitny) introduced his motion a couple of years ago, we gave unqualified support to the demands which he included in his observations with respect to education. The province of Alberta has had most pleasant experiences in the field of vocational training. I believe the minister would be the first to agree that Ottawa has received unqualified support from Alberta in that field. We feel that the results have been splendid. We should like to see the opportunities further advanced in our province so that a greater number of our young people may acquire this necessary training, which is good for them whether they ever use it or not.

I should like to pay particular tribute to our instructors in those vocational training schools. If I were to lodge a complaint, I would say that the compensation which they receive is altogether too little when one has regard to the kind of work they are doing. I well realize that the minister would likely advise me that the province established the rate of pay, and that, provided it meets with the approval of Ottawa and is in keeping with the general wage scales they are quite satisfied with it. I feel—and whether I am talking to the dominion Department of Labour or to the provincial governments does not make any difference to me—that the instructors should have more adequate compensation for the splendid service they are rendering. I should think the minister would be careful to see to it that these salaries are in keeping with the type of work done.

Veterans who have acquired good training under the Vocational Training Co-ordination Act have found it impossible on graduation to acquire the tools necessary for the carrying on of their work. Sometimes the cost of these tools is substantial. I should like to see steps taken to make grants to these veterans, or loans, if nothing better can be offered, in order that they may not be deprived of the opportunity of engaging in the type of work for which they have been trained.

As I said at the outset, we approve the Vocational Training Co-ordination Act and we welcome extensions to it. We shall act accordingly when a decision is rendered by the house on this measure.

Mr. J. O. PROBE (Regina City): Mr. Speaker, I wish to thank the Minister of Labour (Mr. Mitchell) for the opportunity, under the discussion of this act, to speak in general terms on the subject of federal aid to education. Vocational training, which is the subject up for discussion this afternoon, is to my mind something which goes beyond the narrow definition contained in the act, and should be defined as training of any kind that assists in the earning of a living. Having a lengthy first-hand experience with problems of Canadian education, I wish to state my views on the duty of the federal government in the educational field.

I wish to preface my speech by the statement that I concur in the wisdom of the British North America Act of 1867, by which education was made a responsibility of the provinces. With the reasons for the decentralization of control of education, no member of this house can seriously disagree. I must, however, remind the house that the federal system under which Canada is governed was made possible in the first place by the undertaking on behalf of the central government—a fact often forgotten—that since the provincial governments surrendered to the dominion the field of indirect taxation—this being in 1867 the source of greatest revenue—the federal government, in effect, guaranteed to the provinces sufficient subsidies to meet their local needs.

In view of the encroachment by Ottawa upon the taxing powers of the provinces in the field of direct taxation, this principle must be restated; that confederation in 1867 carried with it responsibility on the part of Ottawa to the provinces for adequate sums of money with which to meet their ordinary requirements. This contention is supported in a study of dominion-provincial relations prepared by Eggleston and Kraft in 1939, and I should like to read a quotation from page 119 of that study:

> Quebec was in none too strong a financial condition during the early years of confederation. During the period 1874-1882, Quebec borrowed over $15,000,000 for expenditures upon railways, thereby increasing its interest charges. In March, 1883, the province submitted a petition to the dominion government stating that Quebec did not dispute the fact that the terms of 1867 were to have been final, but that these provisions had been based upon the belief that subsidies would be sufficient to meet local expenditures.

As a matter of record, in 1867 dominion subsidies provided sixty per cent of ordinary provincial expenditures; but in spite of frequent and insufficient readjustments as provincial needs were presented to Ottawa, by 1930 the dominion government was contributing less than ten per cent of ordinary provincial expenditures. With impending ruin in many of the provinces in depression years, this percentage of ten per cent was raised, but it has never reached the original figure of sixty per cent in effect in 1867.

It has been argued by hon. members in this house that provincial autonomy would be in jeopardy should Ottawa provide subsidies adequate for provincial purposes, especially for education. Such a view is short-sighted with respect to revenues for the educational needs of a democracy. It is contrary, too, to at least one statute passed last century by the Canadian parliament. I quote again from Eggleston and Kraft at page 140, dealing with the financial difficulties of Manitoba after its entry into confederation.

> The dominion refused to take any action upon these complaints, but it did advance $30,000 during the year 1882-83 for educational purposes.

That was by 47 Victoria, chapter 7. Revenue for education in Canada has always been hard to find. In no field of public expenditure has there been a more sacrificing spirit manifested by its servants, that is, the overloaded teachers; and nowhere has there been more value given for the meagre dollars spent. Teaching is still the altruistic field of the social pioneer, with its rewards rarely in money or in material advantage but only in the satisfaction of well done community service. The day of the itinerant and ignorant army man with birch rod and discipline as his only teaching certificate has happily ended. His round of free board, by staying a week at a time at the home of each student, has been superseded by a meagre pay cheque approaching that of the unskilled industrial worker. The money for Canadian education is still far less plentiful, shame to relate, than it is for liquor.

So unsatisfactory was the educational accomplishment in Canada that in 1909 various trade unions asked the Canadian government to appoint a royal commission on industrial training and technical education. Sir Wilfrid Laurier appointed this commission in June, 1910, and in 1914 its report was presented to parliament. The outbreak of world war I shortly after prevented any action from being taken upon its recommendations, but in 1919 the sum of $10,000,000 was voted for technical secondary education in the provinces on a conditional basis, and at that time special provision was made for agricultural education.

In 1929 the government of the present Prime Minister (Mr. Mackenzie King) passed an act continuing the grants authorized to the provinces in 1919 for a further five years; that is, in so far as it concerned the unexpended por-

tion of the grants voted at that time, which amounted to some $1,500,000.

These conditional grants, small though they were, had given a boost to technical education across Canada, and there was much criticism of the Canadian government on their threatened discontinuance. Accordingly in 1931 the Bennett administration voted a further $750,000 only, for fifteen years, by way of educational assistance to the provinces. When I see the change of attitude of some of my hon. friends to the right on this subject I need only say that times must have changed indeed since 1931, because, of the grant of $750,000 for fifteen years, made by the Bennett administration, not one penny has yet been spent.

During the late depression years, and during the war, some further expenditures—many of which have been referred to in this house this afternoon—were made by the dominion government for various types of relief and military and industrial education. Since world war II, the Department of Veterans Affairs has assumed the bulk, not all, of the cost of veteran education, and of apprenticeship and industrial training programs.

So, Mr. Speaker, I should like to draw to the attention of the house and the country how insignificant in fact has been the help of the federal government toward this most important branch of Canadian life. In this country we prate about the menace of communism. We talk of its danger, but we have not the national backbone to do anything about it in a way that really counts. If our way of life is superior—and I feel that it can be made so—I suggest that there is no better way to make it work than by putting cash on the line to educate our future citizens, in order that they may be equipped to live the Canadian way and may be immune to the blandishments of the totalitarian ideology. The man trained to think for himself and equipped for the emergencies of life, given the opportunity to live his life in the way of his own choosing, is not led astray by any foreign siren.

It is the duty of this House of Commons to take practical steps to win the war of ideas. Prohibitions and commandments are not enough. The most practical form is to vitalize, through provincial subsidies, the educational sinews with which the base of undesirable isms may be shattered. Where a province spends a good deal on education, its effects go beyond the borders of the province itself.

I have shown in a rough way what limited aid has been given from the federal purse to meet the educational needs of our people. In 1883 Quebec stated that federal subsidies were intended to be sufficient to meet local expenditures. In the field of education we are moving farther and farther from this implied condition of confederation. In 1900, according to the dominion bureau of statistics, the total enrolment in the publicly controlled day schools of Canada was 1,086,381, while in 1944 it was 2,056,743, or roughly double the enrolment at the beginning of the century. By provinces this figure is divided as follows:

	1900	1944
Prince Edward Island	21,289	17,179
Nova Scotia	100,129	114,879
New Brunswick	67,159	89,797
Quebec	311,253	620,106
Ontario	494,217	645,308
Manitoba	50,460	119,974

Saskatchewan and Alberta were not separated in 1900, the provinces not yet having been formed, but for 1900 the combined figure for the two provinces was 20,343, and for 1944 the figures were 179,372 for Saskatchewan and 151,985 for Alberta. The table continues:

	1900	1944
British Columbia	21,531	119,043
Total	1,086,381	2,056,743

Figures for high school enrolment, while not available for 1900, show an even greater expansion than do those for elementary schools in the figures available for the period from 1921 to 1944.

The dominion bureau of statistics indicates that in 1921 the number of students in secondary schools, above grade 8, in Canada, excluding Quebec, for which no statistics for 1921 are available, were 86,156, and in 1944 had almost trebled, the total being 241,215.

With the consent of the house I should like to put on the record a summary prepared by the dominion bureau of statistics, showing the number of students in secondary schools of Canada for the years 1921 and 1944:

The ACTING SPEAKER (Mr. Golding): Has the hon. member leave to put the table on *Hansard*?

Some hon. MEMBERS: Agreed.

Mr. PROBE: Thank you, Mr. Speaker. The table is as follows:

	1921	1944
Prince Edward Island ...	1,737	2,548
Nova Scotia	9,705	14,341
New Brunswick	2,863	9,735
Ontario	42,551	111,448
Manitoba	8,615	18,831
Saskatchewan	5,917	31,202
Alberta	7,509	28,285
British Columbia	7,259	24,825
Total (Excl. Quebec)...	86,156	241,215

The two sets of figures that I have thus far presented indicate the expansion in enrolment

since the turn of the century. The cost of this expansion has been met almost entirely by local school district taxation and provincial grants, the amounts for each province or for each district depending largely on the sense of public responsibility of the citizens, and limited by the relative financial strength within the district or within the province.

The dominion bureau of statistics has prepared a table indicating the revenue of the public schools of Canada for 1944 by provinces, which, with the consent of the house, I wish to place on the record.

The ACTING SPEAKER (Mr. Golding): Has the hon. member consent to place the table on *Hansard?*

Some hon. MEMBERS: Agreed.

Mr. PROBE: Thank you, Mr. Speaker. The table is as follows:

Revenue of Public Schools 1944 (By provinces)

	Gross Revenue	Per Pupil
Prince Edward Island ...	$ 612,488	$35.65
Nova Scotia	5,277,299	45.94
New Brunswick	3,468,361	38.62
Quebec	30,337,234	48.92
Ontario	55,268,313	85.65
Manitoba	9,293,887	89.05
Saskatchewan	15,316,030	85.33
Alberta	12,803,060	84.24
British Columbia	11,159,456	90.39

When this is broken down on a per pupil basis the provincial expenditures fall into two well-defined groups. In the one group are the provinces of Prince Edward Island, New Brunswick, Nova Scotia and Quebec, in that order, with Prince Edward Island spending in 1944 $35.65 per pupil.

In the other group are found Alberta, Saskatchewan, Ontario, Manitoba and British Columbia, in that order, with Alberta having a gross revenue per pupil of $84.24, and British Columbia $90.39.

One could argue that the two groups of provinces I have mentioned attach lesser or greater importance to the need for education, depending on the group in which the province falls. I feel that this argument is fallacious and is not necessary for the purpose of demonstrating the need of much-expanded federal grants. With various exceptions, the brunt of bearing even the limited costs of education, as indicated in the table just presented, has fallen, and will continue to fall unless the federal government assumes its rightful role in providing finances, upon the teacher in the class-room. And strangely enough, where the need for exceptional teaching qualifications is greatest, namely, in the one-room rural school, there the remuneration in every province is below that of the unskilled farm-hand working in the same district.

Unfortunately the dominion statistics are not up to date with respect to this matter, but I have here a table prepared by the bureau to show the average salary, by provinces, excluding Quebec, for the public schools of Canada, for the year 1944. This table gives the average salary for all teachers in the public schools, of each province mentioned, for the city schools and for one-room rural schools. With the consent of the house, I should like to place these figures on *Hansard.*

The ACTING SPEAKER (Mr. Golding): Has the hon. member the consent of the house to place these figures on *Hansard?*

Some hon. MEMBERS: Agreed.

Mr. PROBE: They are as follows:

	All Schools	City Schools	One Room Rural Schools
Prince Edward Island	$ 587	$ 943	$ 538
Nova Scotia.....	736	1,281	580
New Brunswick	740	1,355	612
Ontario	1,209	1,806	1,021
Manitoba	982	1,885	843
Saskatchewan	924	1,696	902
Alberta	1,139	1,760	996
British Columbia	1,471	1,795	1,007

These figures show a spread of remuneration from a low of $538 a year for teachers of one-room rural schools in Prince Edward Island, to a high of $1,885 a year for the city schools of Manitoba.

I am not arguing at this stage that the federal government should subsidize salaries of teachers, even though I feel that the federal taxpayers' dollar could be spent to no better advantage. I believe, however, that the federal government can, within the framework of the British North America Act, either make outright grants for certain educational purposes, the administration of which could well be handled under federal agencies now existing, or easily set up; or in other fields make conditional grants based on comparable contributions by the provinces, with the provinces doing the administering.

For example, in the field of adult education, it is not likely that there would be jurisdictional disputes were the government to finance a comprehensive course in Canadian citizenship, especially to new immigrants.

A country as progressive as ours should be able to afford a national library, with branches across Canada, to make available to its meanest citizen literary and historical documents.

The federal government could foster appreciation of music, through national symphony

orchestras, and an expansion through the Canadian Broadcasting Corporation of various types of musical education. Encouragement of national arts and crafts would be a stimulus to our artists, our home builders and our technicians.

No one could quarrel with generous contributions to university graduates and college professors for research scholarships, travelling fellowships, tenable both in Canada and abroad.

Instead of relying on the ability of parents or the generosity of private philanthropists, needy students of brilliant attainments should be provided from federal funds with competitive scholarships at each year of university training.

Teachers in high schools and elementary schools could be provided with sabbatical scholarships to refresh themselves in the noble work they are pursuing for Canadian children. Funds should be provided for drama and language classes over C.B.C., and the work of the national film board subsidized to provide films at all school levels.

The Department of National Health should provide refresher courses in health topics and in household science to teachers of these subjects and provision should be made for refresher courses in art, music and primary methods.

Rather than spend money on cadet training, I would build the physique of our youth by an extension of the physical fitness program through the schools by sponsoring athletic displays and encouraging interprovincial playdowns for team sports.

All these fields could, in my view, be taken over or initiated under federal sponsorship, without conflict of jurisdiction with the provinces. Where conditional grants have their place is, I think, in the fields of apprenticeship and industrial training, for which I wish here to give credit to the Minister of Labour and his department. I think this work is worthwhile and the money spent is reaping direct returns in national well-being.

Much has been said in this House of Commons about our young people leaving Canada because of greater opportunities in the United States or elsewhere. This trend could be arrested in part were the dominion government to endow special faculties of universities or departments of education at present unavailable in Canada.

A slight amount of progress has been made, again through the labour department, through conditional grants for capital costs of buildings and equipment, used for occupational training as has been mentioned this afternoon. These grants should, in my view, be extended to include schoolhouses and dormitories for high school students coming from remote rural areas.

As I said earlier, our way of life can be threatened by foreign ideologies only if we do nothing to make it more attractive. The day of education consisting of a boy on one end of a log and Mark Hopkins on the other should be ended for Canada. The start from a federal viewpoint has been meagre and grudgingly given. Let us save the future of Canada by the dominion government making a tenfold expansion in its contribution to the future of Canadian education.

Mr. C. E. STEPHENSON (Durham): Mr. Speaker, I should like to ask the minister if an opportunity will be given to those who start vocational training to complete their courses. If not, there will be no value in this plan. The minister knows quite well that there were many ex-service men who had to wait until they were old enough to enlist. They enlisted late in the war and served for only five, six or seven months. The amount of training they were able to take was based upon their length of service.

Many of these young men wanted to take their junior or senior matriculations, but they found that at the end of five, six or seven months their training period was over and they had to leave school. I brought this matter to the attention of the minister and I think some consideration should be given to these young men.

I consider this resolution a step in the right direction. Above everything else, we need vocational training in this country. The trades have lost dignity. Many of the younger people feel that they should have a university education and I think this move to give dignity to the trades is in the right direction.

Hon. HUMPHREY MITCHELL (Minister of Labour): Mr. Speaker, one hon. member said something about my making only a short statement. I am a great believer in short statements as long as the information is there. A long speech is like a long letter. A long letter is rarely read and a long speech is never read and rarely listened to. I sometimes think that if we took out the desks in this chamber and had it only half as large as it is we would get through in three months rather than six. I am a great believer in debate in the conversational manner as takes place in the House of Commons in Great Britain. There the members have a few notes in front of them and they make their speeches so that everyone can hear. That being as it may, I simply make the observation in the light of what was said by one hon. member.

When a minister makes a statement I do not think it is his business to read a report which every hon. member can get. I am speaking to the resolution and am dealing with the principles of the resolution. Most of the information that has been asked for this afternoon by hon. gentlemen could have been obtained from the report on vocational training if they had taken the trouble to read it.

Other hon. gentlemen have referred to the responsibility of the federal government in connection with vocational training and education generally. The hon. member for Regina City (Mr. Probe) developed the history of technical education from the federal point of view. A royal commission was appointed in 1910 by Sir Wilfrid Laurier, and one of the members of that commission was a personal friend of mine. The sum of ten million dollars was voted and spent in co-operation with the provinces in establishing technical training schools throughout the dominion. Even up to this day there is at least one province which has not spent its portion of that ten million dollars.

It is quite easy to rise in one's place in this house and talk about spending millions and millions. I have a vivid memory of a little Scotch town. A man who had been born in that town came to North America and made a fortune in the steel industry. He gave his home town a magnificent library, a swimming pool and a vast park but he gave them so much that he impoverished the community which tried to maintain them.

Whether we like it or not, the provincial governments have jurisdiction over education. I wonder what some hon. members would say if it were suggested that, because of the money being spent by the dominion, we should take over education in the provinces. It is quite easy to get up and say what we should do for education as a federal government, irrespective of the party in power, but the fact remains that the provinces are jealous of their prerogatives.

I do not know of any provincial government that is in destitute circumstances today. I know of no time in the history of this country when the provincial governments have had greater surpluses than at the present time. One hon. gentleman referred to the need for this type of education. I want to say that I have never seen a man who could handle a hammer, saw or file who was destitute under normal circumstances.

Mr. CAMPBELL: What is the file for?

Mr. MITCHELL: To file some sense into the brains of some hon. members. I have tried to express myself in simple language. If I had made my remarks complicated so that the hon. member for Regina City could not understand them he would have thought it was wonderful. The hon. member for Winnipeg North Centre (Mr. Knowles) says that I could not.

Mr. KNOWLES: I interrupt sometimes, but this time I did not say a word.

Mr. MITCHELL: I was greatly impressed by the observations of the hon. member for Rosetown-Biggar (Mr. Coldwell) about the placement of these people after they have been trained. I think we have made great strides in connection with the special placement department of the unemployment insurance commission which handles handicapped people. We are considering setting up vocational guidance departments in the communities in which we have offices established. Technical education is a slowly growing thing. Rome was not built in a day and neither will this scheme come to full fruition in twenty-four hours after the foundation has been set.

Mr. COLDWELL: Are you giving special training to placement officers in view of the large number of classifications that exist?

Mr. MITCHELL: Yes, and I will tell you where I got the idea from. They did it when I was a youngster in England. I do not know that there is much more I need say until we are in committee on the bill.

Someone referred to the hardships suffered by veterans. I am not talking about the married veteran. I think that even a veteran—like many hon. members I was a veteran myself of the first great war—in order to obtain a university education should make some contribution and sacrifice for that education. The best students are those who do so. If the state provides a measure of support during the school term, it is the obligation and the duty of the student during the vacation period at least to endeavour to augment the amount of money provided by the state.

Let me say that my department has a special division for finding employment for veterans who are attending university. It has been very successful. Only yesterday I received a letter from a student in the United States. He said that his American friend said that he wished the employment service in that country had the same kind of organization. We all know that there are not enough universities in this country to permit all the men and women who were engaged in the last war to avail themselves of a university education, notwithstanding the generous assistance rendered by the

Canadian people. Many of the men who came back from the war went into industry. Had they not done so, the manpower situation that exists at the moment in a broad and general way would have been much more difficult than it is. I repeat, I think that a university education is worth a little bit of sacrifice and struggle to obtain.

Basically this bill rounds out the policies which have been set in motion since I have been in the ministry to make provision for the training of youths and adults. It was found that there was a missing link in the chain in the Unemployment Insurance Act. You can refer people who are enjoying and receiving unemployment insurance benefits to training; but once these benefits run out, the assistance lapses because there is no legislative provision to maintain it. Then, of course, there are other people who are not within the four walls of the legislation, people who are not at the moment paying unemployment insurance.

I have always felt that it is far better to train a person to earn a livelihood than for the state to support him. This is a simple amendment. The idea behind it is the training of men and women who, through circumstances over which they have no control, are unable to earn a livelihood. The machine is more or less in the process of being set up. In the very nature of things, consultations must be had with the provinces with respect to any advisory group or placement group that will be responsible for deciding who shall and who shall not be trained. It is the joint responsibility of the people who supply the money and the equipment, and they, of course, are the provincial and the federal governments. It is my intention to set up advisory committees in the different regions, composed of employers, employees and employees' organizations. That is a vital necessity in a training program of this kind.

When we go into committee I shall endeavour to answer all questions that hon. members may ask.

Mr. MacNICOL: Is the minister going to answer the questions I asked him?

Mr. MITCHELL: Yes. The hon. member asked about oil drilling and building dams. I touched on that lightly. Before any classes are established in a province it is necessary to get co-operation, not only co-operation but also support of the provincial governments to join with us in establishing these classes. If there is any province in Canada where that can be done I am sure the dominion government will co-operate.

Mr. STEPHENSON: I made reference to—

Mr. SPEAKER: Order. May I suggest to the hon. member that if he wants to ask questions he should wait until we get into committee.

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mrs. STRUM: A few moments ago the minister made the statement that it was easier to train people and permit them to earn their own living than to support them. Will this amendment cover people who are physically incapacitated or partly incapacitated, people who need sheltered employment?

Mr. MITCHELL: When I was speaking I thought I mentioned that we have a division in the unemployment insurance commission to deal with the placement of physically handicapped people. I have not the figures under my hand at the moment, but I think it will be found that we made a very good start in that regard in the last twelve months. If the provinces wish to co-operate I see no objection to setting up classes in that regard.

Mr. COLDWELL: The minister thinks that it would come within the four corners of the resolution?

Mr. MITCHELL: We must have the co-operation of the provinces.

Mrs. STRUM: I wondered whether there was any particular clause or section in the bill in which it was definitely stated.

Mr. MITCHELL: No; the bill is broad in its terms, as the hon. member will see when she gets it. It will take in almost anything.

Mr. STEPHENSON: When I spoke a few moments ago I mentioned the possibility of those who start their courses being permitted to finish them. Will some guarantee be given by the minister that they will be allowed to complete their courses, so that the training will be of some value to them and not like the courses which were given to some veterans based on their training of five or six months? That is all they were entitled to when they came out of the armed forces, because they had been only five or six months in the forces.

Mr. MITCHELL: There is no intention whatever at the moment to provide university courses by this bill. The question raised by the hon. member had to do with the amount of training based on the length of service.

Mr. STEPHENSON: That is right.

Mr. MITCHELL: The hon. member will have to talk to the Department of Veterans Affairs about that. My department does the

training; they do the choosing. They lay down the rules and the principles.

Mr. STEPHENSON: It was apparently your department.

Mr. MITCHELL: We do the training.

Mr. STEPHENSON: My point is this: what is the use of training a boy for five months and then kicking him out in the middle of the course, telling him, You are finished?

Mr. COLDWELL: I do not think the minister quite understood the question I asked when I interrupted him during his last remarks about the placement officers. With the complicated and complex industrial system we now have, there are a very large number of different types of jobs. The point I was interested in was this. Is the department doing anything either to provide for or to encourage special training for placement officers so that they will understand the differentiation of the jobs? I saw a report, I think from a United States source, a year or so ago. I have forgotten the figures, but they ran into several thousand job classifications, all the way down. I have not heard lately, but in former days, I heard of persons who had applied for a job and been offered something quite unsuitable, largely because the man behind the desk was perhaps not as well trained in placement as he should be in these days. In the appointment of officers, in the exchanges across the country, is some attention being given to the qualifications of persons for the placement of applicants or, on the other hand, are any steps being taken by the department to give some specialized training to officers so that they may be adequately equipped to deal with the placement of applicants?

Mr. MITCHELL: We are continually training people. Of course the engineering of material things is an exact science and is entirely different from the engineering of human beings.

Mr. COLDWELL: Certainly. Psychology is an important factor.

Mr. MITCHELL: Yes. In the unemployment insurance commission, dealt with under the other bill I am introducing, people are being continually trained. In a broad way, we have not done too badly in Canada.

Mr. MacNICOL: I know that in Toronto the heads of the department have been for some time sending out to various plants members of their personnel to see for themselves just what goes on in this and that line of manufacturing. I have come in contact with this work, and I was pleased to see that the department was training its officials so that they might more intelligently answer applicants coming to their desk. I cannot speak for other parts of the country, but I know that in Toronto an honest effort is being made to train personnel so that they can answer applicants intelligently.

[Mr. Mitchell.]

Mrs. STRUM: There is one phase of this work which, so far as I know, has not been considered. I refer to the rehabilitation of persons coming out of tuberculosis sanatoria. In almost every province there is free treatment for tuberculosis, but we would be appalled if we knew how many people come out of these institutions only to find themselves forced back into them for the simple reason that they have to compete with others who are well, and under these conditions try to do a full-time job. There is a field for research in order to find out whether light and part-time employment can be provided for persons coming out of sanatoria. We must make sure that they do not overdo it and thus become repeaters.

I have had a good deal of experience with tuberculosis sanatoria for a number of years, and I am thinking of one lad who in the end went out and committed suicide because he had found readjustment so difficult. He had been a repeater on a number of occasions and had to go back and live in a home where conditions were impossible if he expected to remain well. There is an important field here.

Treatment in tuberculosis institutions is costly, and it involves hospitalization not for weeks but for years. I have known people to come out of these institutions after having been in for fourteen years. The cost of treatment is as high as it is because we give not only medical care but special housing and special diet. I am sure the provinces would be only too glad to co-operate with the federal government in investigating the kind of training required, and then the employment service that goes with placement, with a view to helping these people to stay well, instead of leaving them to face the terrible discouragement and heartbreak that such people invariably experience.

Resolution reported, read the second time and concurred in. Mr. Mitchell thereupon moved for leave to introduce Bill No. 202, to amend the Vocational Training Co-ordination Act, 1942.

Motion agreed to and bill read the first time.

UNEMPLOYMENT INSURANCE ACT

AMENDMENTS RESPECTING CONTRIBUTIONS, PROCEDURE, OFFENCES AND PENALTIES

Hon. HUMPHREY MITCHELL (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Unemployment Insurance Act, 1940, to enlarge the scope of the act, to clarify certain provisions thereof, more specially in relation to contributions, procedure, offences and penalties, and to provide further for modification in the rates of contributions with the object of equalizing, to some extent, the total contributions payable by employers and employees.

He said: The bill which is to be introduced for your consideration provides for a number of important amendments to the Unemployment Insurance Act, which was passed by parliament in 1940 and became operative on July 1, 1941.

Our purpose is to keep this social security measure up to date so as to assure maximum usefulness in the public interest. Regulations passed under the act from time to time do permit certain changes in application but alterations in rates of benefits and contributions must have parliamentary approval.

When the act was passed, the insurance coverage applied only to those earning up to $2,000 a year. Higher wartime salaries and wages made it desirable to amend the act at the session of parliament in 1943, when the maximum ceiling was fixed at $2,400 a year. Other changes were made which are on the record and which I do not think it necessary to deal with at this time.

It was originally estimated that 2,100,000 persons would be brought under the act. The war was on at that time and gradually, as more became employed in munition industries and other essential activities, the coverage expanded. By the time the act was amended in 1943, an additional 676,000 workers had been made insurable employees.

The act was again amended at the 1946 session of parliament at which time a great many more workers were brought under its provisions. Since then, there have been other additions and the information which is given to me by the unemployment insurance commission is that a gross total of 3,357,984 have been covered by the act, that is the number of insurance books issued.

There is a certain duplication in this total with respect to the issuance of books and there is also included a number of persons who entered insurable employment for temporary periods. However I think that a figure of around 3,000,000 persons benefiting under the act is about right.

The present bill is important from several angles. It provides for increased benefits to an insured person with a dependent. The maximum becomes $18.30 weekly instead of $14.40, or $3.05 per day instead of $2.40. For the person without a dependent the maximum benefit increases from $12.30 to $14.40 per week, or from $2.05 to $2.40 per day.

It will be appreciated by members of the house that the unemployment insurance fund must be maintained on an actuarial basis. We cannot gear the rate of benefits to fluctuations in the cost of living index. An upward change in wage levels, however, puts the wage earner concerned in a higher class for insurance purposes and in that way he gets a higher rate of benefit should he become a claimant.

The rates of contribution provided in the original act (1940) were so arranged that the employers and employees contributions would be equal in the aggregate. The employer paid the greater contributions in respect of employees in the lower wage groups, and the employees in the higher wage groups paid a larger contribution than did the employer, but in the main the gross contributions of each class were approximately equal. With the increases in wage levels, the employees moved up the ladder for the purposes of contributions and benefits. Whereas we have had seven classes of contributions, the wage adjustments made from time to time have had the result of placing a substantial percentage of workers in class seven, the top class.

For that reason, the employers' weekly contribution for employees in that class is to be raised from twenty-seven to thirty-six cents, the employee contribution remaining at thirty-six cents. There has been upward adjustment in employer contributions in other classes but no increase in employee rates. The bill also adds another class, No. 8, for persons earning $34 a week and more, employer and employee contributions being the same—forty-two cents weekly.

The bill changes the insurable annual ceiling from $2,400 to $3,120 for monthly rated employees. There is no ceiling for hourly rated people. This change for monthly rated employees was made effective January 1 last, on the recommendation of the unemployment insurance advisory committee, and approved by the governor in council. The shift of so many workers into the higher earnings brackets made this essential. It is significant to note that in less than eight years the earnings ceiling under the act has been raised by $1,120 per year for monthly paid workers.

The higher benefits, of course, are not yet in effect. As indicated, they require the approval of parliament. There are a number of other changes in the act, and one that will be of great interest to employers is that of exempting them from the payment of twenty-four cents a week for each person holding a certificate of exemption. We have had many complaints about this and decided that it was a provision that should be deleted from the act.

To speed up the payment of benefits, there is an amendment which will authorize the local insurance officer to pay a claimant a maximum of thirty-six days' benefit upon the production of an unemployment insurance book showing 180 consecutive contributions. Up to now the requirement has been that a claimant must show 180 contributions in the preceding two years, and then the insurance officer had to check back for five years to find out the benefit position of the claimant. This proposed change will speed up the payment of claims.

Hon. members will note, when the bill is distributed, that the increase in benefits is less in the lower earning brackets than for those in the higher earning brackets. The explanation for this is that the benefit rates for the lower earning brackets have always been based on 80 per cent to 90 per cent of earnings and so any non-actuarial raise would threaten the safety of the fund. The increase is greater in the higher earning classes in which a very large proportion of claimants are found. In 1946, 77 per cent of all claimants were in the two top earning classes.

Mr. Speaker, the bill has been drafted with the realization that the Unemployment Insurance Act can only be successfully administered on actuarial principles. I know in recent years there has been a demand from various parts of this country for the payment of higher benefits than can be approved. It must be remembered that this is a social security scheme of a tri-partite nature: contributions by employer and employee, plus one-fifth of the total by the dominion government.

There is no one in the house who would be more strongly in favour of higher benefits than myself. But we have to be reasonable. This is a great social measure. Its effectiveness easily can be destroyed by paying out more than is justified by contributions to the fund. I know, and the members of the house generally know, that the benefits provided for are not related to approximate earnings. The purpose of the act is to provide allowances to persons temporarily unemployed, sufficient to take care of their most necessary needs.

[Mr. Mitchell.]

Unemployment insurance is not a substitute for a salary or a wage. I want to make that clear. If we have benefits pushed up to a point where the amount is sufficient to provide normal expenses, then we are going to have, on the part of a percentage of our workers, a disposition to avoid work and live as long as they can on unemployment insurance.

I want to emphasize at this point that I believe the vast majority of the workers of Canada are honest, decent citizens. There is, however, as in all countries, a minority of would-be idlers. They are the ones threatening the stability of social measures such as the Unemployment Insurance Act.

The safe level for benefits varies with wage levels. Thus a benefit rate of $6 may be reasonable for a person earning $7.50 weekly—a rate of 80 per cent of wages. But 80 per cent for a person who has been earning $40 weekly would be $32 and that, in our opinion, would be too high.

Unemployment insurance is long-term insurance. Should wages and prices recede from their present levels, it would then be very important that benefit rates be on a sound basis. I might add that reductions in earnings do not become fully reflected in a worker's benefit rate until he has made 180 contributions at lower rates, for the average of 180 contributions is taken. In the meantime, his benefit rate is based on a higher average of earnings.

At the present time we have about $441,000,000 in the unemployment insurance fund. On the surface this appears to be a large fund, but a period of major unemployment would whittle the total down very quickly. Personally, I am happy to see the fund so big and I hope it gets larger for this means continued high employment. It is nice to know that we have such a back-stop for the workers. I do not know when we shall have a period of serious unemployment, and, Mr. Speaker, I do not think any other hon. gentleman in this house could predict that. I am an optimistic individual who feels that, provided that we keep our feet on the ground and act rationally, I shall not live to see the day when we shall go through what we did in the thirties.

Mr. HARRIS (Danforth): I hope the minister is right.

Mr. MITCHELL: I hope I am right too. Some people hope I am not right.

Mr. HARRIS (Danforth): Oh, no.

Mr. MITCHELL: I am not reflecting on my hon. friend opposite.

Mr. HARRIS (Danforth): No. I hope you are right.

Mr. MITCHELL: We have to be guided by past events and we all know that there have been serious fluctuations in employment in the past fifty years. Even a moderate amount of unemployment would have an adverse effect on the insurance fund.

I do not want to say that we were fortunate in that a wartime period brought enactment of the Unemployment Insurance Act. The act itself is good; the war was the most terribly unfortunate and disastrous occurrence that ever could have happened to the world. However, parliament passed the act in 1940 and, as we organized our war efforts, more and more people became gainfully employed and came under the provisions of the act.

I should like to say this in passing, Mr. Speaker. I think we planned and builded better than we knew. My hon. friend laughs.

Mr. HARRIS (Danforth): I am not laughing.

Mr. MITCHELL: These people get a satanic delight out of misery.

Mr. HARRIS (Danforth): We are fortunate.

Mr. COLDWELL: The minister himself is laughing.

Mr. MITCHELL: I am laughing at the hon. member who is laughing.

Mr. MacINNIS: The hon. member is laughing at the minister who is laughing.

Mr. MITCHELL: These people get a satanic delight out of depression and misery.

Mr. COLDWELL: No, do not say that.

Mr. MITCHELL: No. The phrase I used was not addressed to the hon. member for Rosetown-Biggar but to the hon. member who laughed.

I just want to make this point and, in doing so, I am speaking for the Canadian people; I do not take all the credit for the government, although the government had, of course, to give leadership. The establishment of unemployment insurance in 1940, and particularly the creation of an employment service such as we had, made possible the organization of a war effort generally conceded to be, on a per capita basis, the greatest of the democratic nations engaged in that great struggle.

With regard to the post-war period, our minds go back to 1919. Those of us who came back from the first great war know something of the confusion that existed in that demobilization period, and when I say this I am not being critical of anyone who had any part to play at that time. I think, however, that the employment service made possible the smoothness with which we were able to demobilize our men and women of the armed forces after the second war, on a scale and in a way that, I believe, surprised even the most optimistic among us in this House of Commons and throughout the country generally.

We are now passing through the period of reconstruction, when immigration is beginning to move on a wider front and at an accelerated rate. Here again we have the employment service rendering a distinct service to the people of Canada in the placement of persons from England, Ireland, Scotland and Wales; people from the displaced persons camps of Europe and others, bringing us the finest blood streams of Europe. Nearly all these people are being moved through the employment service; and I think it is to the credit and reflects the common sense of the Canadian people that we have been able to create, in such a short space of time, a machine of this kind which has rendered yeoman service to the dominion.

My mind goes back to the establishment of unemployment insurance in Great Britain, I think it was in 1911. They started off with just seven trades. Today, of course, it covers around 14,000,000 people. That act has been amended thirteen or fourteen times in a major way. As I said to the hon. member for Rosetown-Biggar (Mr. Coldwell) this afternoon, the engineering of men in a social way is more or less a virgin field into which the world has not moved, except in the last generation. I believe it is to our credit that we have been so successful in this country, and I hope, in the light of practical experience, we may move forward in this regard.

I spoke of the development of the fund. For the year ended March 31, 1942, roughly nine months after contributions became payable, the balance in the fund was about $44,000,000. A year later it was $114 million. In 1944 it was $190 million; in 1945 it was $268 million; in 1946 it was $317 million, and in 1947 it totalled $372 million. These, of course, are net totals. We have paid out benefits every year.

Mr. HARRIS (Danforth): I suggest that the minister should be very conservative as to the net totals.

Mr. MITCHELL: Oh, yes. I think $441 million is only chicken feed.

Mr. CASSELMAN: Where do you get that chicken feed?

Mr. MITCHELL: My mind goes back to the experience of Great Britain. Those who

have followed the course of this sort of legislation will recall that in the twenties the fund was absolutely bankrupt. There they had the advantage of a high level of employment during the war, as we did; then they had that collapse or recession, whatever you want to call it; and they had the same revolutionary condition in Europe at that time. There was the Russian revolution, the putsch in Germany, the trouble in Hungary and so on, and had it not been for unemployment insurance, I sometimes wonder what might have happened even in Great Britain.

I am not very much impressed by people who, when they have $10 in their pockets, think they are millionaires and want to get rid of it, and when it is spent lean on the other fellow. I believe this unemployment insurance money belongs to the good people who paid into the fund. By the very nature of things, thousands of people who have paid into this fund will not draw a copper from it. I believe this parliament, not necessarily the government, but parliament—is charged with some responsibility with respect to the proper administration of that money because, as I have said before, I will take my chance on the working people of the country. They are the backbone of every country and of civilization itself; they always have been, and I hope they always will be as far as this dominion is concerned.

To the end of February of this year, that is in the past six years and eight months, benefits paid to workers under the act have totalled $111,000,000; but in passing I might make a reference to that figure, having in mind the hon. member for Vancouver East (Mr. MacInnis). At one time, through circumstances over which no government had any control, we had 16,000 people in the city of Vancouver drawing unemployment insurance. They had a bad snow condition there this winter. My mind goes back to the thirties, when there were many people in the same position in Vancouver, and we had a great deal of trouble. This gives some indication of the cushion this form of legislation can provide under conditions of that kind.

The outlay of benefits naturally has been greater in the last three years because we had maximum employment during the war, and following the end of the war there were necessary lay-offs because of the change-over from the wartime to a peacetime economy. Then, of course, a great many more persons are covered now.

Not all the money to the credit of the fund has been contributed by employer, employee and the government. Since the act became operative, a total of more than $34,000,000 has been earned from interest on investments and profit on sale of securities. The gross revenue of the fund to the end of February of this year was $552,000,000.

It is our desire to bring as many as possible under coverage of the act. The bill to come before the house gives the unemployment insurance commission more authority in this respect. The idea is to reduce the number of excepted employments to the very minimum.

As instances, in 1943 it was provided that certain employees of hospitals and charitable institutions and employees of public utilities, owned by municipal, provincial and dominion governments could come under the act.

In 1946 we included lumbering and logging workers in British Columbia and employees in transportation by water. Recently, stevedoring has been added. The industries which remain excluded are those which are particularly difficult to insure.

There is another point I want to mention to the house. Hundreds of letters have come to my office in recent years and I know many more have been received by the unemployment insurance commission, suggesting that persons in insurable employment, who have been forced to give up work because of illness, should receive benefits. That, of course, is impossible on the present actuarial basis. It would require very much more substantial contributions on the part of employer and employee and the government. In any event, this was intended to be an unemployment insurance plan, not a combination of unemployment and sickness insurance.

Apart from those I have mentioned, there are other proposed amendments to the act which have been drafted to ensure better administration and to enable the unemployment insurance commission to deal more effectively with problems that have come up in the past two years. An act of this kind necessarily is subject to periodical change. In Great Britain their unemployment insurance act was passed in 1911, and during the succeeding quarter of a century fifteen amending bills were brought before parliament.

When members have studied the bill, I know the government will have the benefit of much in the way of constructive suggestion and criticism.

That will be welcomed because it is our desire to have an Unemployment Insurance Act which will function in the interests of the public to the highest possible degree.

Mr. ANGUS MacINNIS (Vancouver East): The minister has made a fairly comprehensive survey of the amendments he intends to bring in and of suggested improve-

ments, as I understood from his reading of them, to the Unemployment Insurance Act. I realize the difficulties, but I am sorry that the minister and the government did not find it possible to make some extension of unemployment insurance to cover sickness, particularly when it occurs to the recipient of unemployment insurance. I drew attention to this earlier this session; and I cited a typical case, using a fictitious name of a person who was insured and became unemployed for several weeks and drew his unemployment benefits under the act. Then, while still unemployed, and when there was no employment available for him, he became ill, and certainly, if he needed an income when he was unemployed and well, he needed it still more when he was unemployed and ill. But his income stopped and no provision was made for him. I appreciate that the Unemployment Insurance Act is based on actuarial considerations and that if its provisions are to be extended in any large measure in certain directions the amount of the contributions will have to be increased, but since the purpose of the act is to provide an income for a person when he is involuntarily unemployed, I think we should go a step farther and provide insurance or an income when he is ill, because illness is also involuntary.

The minister referred to the fact that the Unemployment Insurance Act came into effect in 1940, and he left the impression that it was the designed policy of the government to bring the act into force at that time. As a matter of fact it was purely a matter of expediency.

Mr. KNOWLES: The minister is smiling.

Mr. MITCHELL: I was not in the house then.

Mr. MacINNIS: He realizes the truth of what I am saying. But I will accept his apology.

Mr. MITCHELL: My hon. friend and I went through all this in the 1930's.

Mr. MacINNIS: I will come to that later. In 1940 the government were faced with increasing employment in war industry and knew they would shortly be faced, as they were, with the necessity of taking various measures, as they did, to reduce the income in the pockets of the ordinary workers who had money which could not be spent on consumer goods because they were not available. So the bright idea occurred to the government of bringing in unemployment insurance, for which the workers of this country had long been asking. My hon. friend the Minister of Labour, when he was a member of a labour organization, and not a member of the cabinet, used to appear before the cabinet and urge them to put unemployment insurance into effect. That, to my own knowledge, had been going on for more than twenty-five years without the slightest response from this or any other government then in office. But at last the time came in 1940, and I am glad the government took advantage of it and brought the act into force. Perhaps if the war had not come we should not have had unemployment insurance yet, so that out of evil good did come. I am glad that the Unemployment Insurance Act has been put into effect, because I am sure it is filling a great need.

While the increases are not large, they are welcome and they would be satisfactory if the periods of unemployment were merely short periods. Unemployment insurance is designed to help the insured from the time he loses one job until he gets another, and the hope at least is that it will be a short period. With these payments, the unemployed worker is not able to provide for all his expenses as his wages did, but they will help to tide him over a period of unemployment. But if the period of unemployment is protracted these payments are totally inadequate and will have to be supplemented from some other source.

Fortunately there have been, I suppose, very few cases since the act came into force where recipients of unemployment insurance have been unemployed for a long period of time and have had to depend upon unemployment insurance alone. I hope, with the minister, that that situation will continue.

The minister said that the benefits are kept low because, if they were made higher, there might be a tendency for the recipient to stay on unemployment insurance longer. But the remedy for that is, I submit, education. We should carry on amongst recipients of unemployment insurance a process of education, the same as with recipients of any other government assistance, and show them that what they are drawing from is the income of all the people who have been contributing under the act, and that no one should draw unemployment insurance any longer than is absolutely necessary. I must confess, after a very long time in public life, that I am sometimes shocked by the attitude of many people toward any payments that the government may make. That attitude is: Well, the government is paying, and why should we worry if the payments are a little bit more than they should be; we are taking

it from the government anyway? That is the wrong outlook and governments themselves have been largely responsible for people getting into that frame of mind.

I suggest to the minister that his public relations in connection with unemployment insurance leaves much to be desired. Persons contributing under the act do not realize that the act provides only for unemployment, that it is not designed to pay benefits when a person has reached the age when he is no longer able to carry on or is retired. I do not know what the unemployment insurance commission would do in that case. It is possible that they may pay some benefits, I do not know, but those who contribute should know exactly what they are entitled to because of their contribution. I do not believe the department has made that clear, and consequently there is a great deal of misunderstanding.

Perhaps it is too late, but I hope the minister and the government will take into consideration the broadening of this act. What is really required is a comprehensive social security program that will take care of the individual through all the hazards of his industrial life.

Mr. JOHN R. MacNICOL (Davenport): Mr. Speaker, the minister did not mention it, but he knows that we passed an unemployment insurance act in this house, I think in 1935. It was during the administration of the late Viscount Bennett. At that time the minister sat in this corner to my left. He may remember my going to England to inquire into the matter, after which I delivered a speech in the house in support of the principle of unemployment insurance.

I compliment the minister upon bringing in amendments to the act. It was well understood that amendments would be required as the years went by. As he said, the British act has been amended many times and this act may have to be amended again. I rose merely to state that the 1935 act was not put into operation because of the controversy in the country at that time as to dominion and provincial jurisdiction.

I have only one word to say in addition to what I said a few moments ago. If the act does not call for it I hope that provision will be made for the education of the personnel of the unemployment insurance offices throughout Canada, so that they may deal more intelligently with the unemployed who come before them to register when they are unemployed.

It may be through the instigation of the management, but I know that in the offices in Toronto members of the personnel have been sent to various plants so that they can observe what goes on in the plants and what is done by the various work people. They become better equipped to deal with unemployment in that line when it comes into the office. I realize that the number sent out may not be very large, but I heartily support any program which leads to the education of the office personnel so that they may become better qualified to deal with unemployment problems, in the many trades.

I know of one young woman in the women's branch in Toronto who has visited many plants where women are employed in order to acquaint herself with what women are doing. She told me that this has been of great benefit to her when dealing with unemployed people coming into the office. She knew what qualifications are required for different jobs and she was able to send applicants to jobs. I hope that the minister will give instructions to his managers or superintendents in Toronto and elsewhere so that this field of endeavour may be expanded.

When a young woman—and this would apply to men as well—comes into an unemployment insurance office and registers as being unemployed, if the person she talks to is familiar with jobs for girls generally she may find on her files a position that is open which would suit the applicant, even though it is not exactly the same type of work she has been doing. I may not have made myself quite clear, but if the act does not call for something like that I hope arrangements will be made to have it included.

I will support anything that will lead to the better operation of the Unemployment Insurance Act. The success of the act depends largely upon the intelligence of those employed in the different offices. This is one line of endeavour which, I think, would result in a greater success of the act.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I was a little in doubt about rising at this time because I was not sure whether you had put the motion before recess. I am heartily in favour of the resolution if it means what it says, the extension of the act and its clarification.

I wish to make just a few observations for the minister's benefit before he brings in the bill, and that is why I make them at this time.

I want to say first to the minister that my relations with those who administer the unemployment insurance and selective service regulations have been very happy. The administration, from the maritime director down to the local offices, with whom I have had to deal have been very co-operative and efficient, and while they had the selective service regulations under their administration they regulated manpower to a large extent.

I was sorry to see that phase of the unemployment insurance office set-up abandoned. The employer used to put in his requirements and the officials could direct the employees to suitable employment and so forth. But today that phase of the work has been discontinued. The employers no longer use it for that purpose, and about all the unemployment insurance officers can do is to register the man and tell him where he may go and get employment. It has been difficult, because the average person who comes in and registers for employment often blames the unemployment insurance officer for not being able to secure employment for him when in reality such officers have nothing to do with the direction of employees into any particular industry.

There is one thing I wish to bring forcefully to the minister's attention. I have written him on this subject and I have had his reply. I have always argued that social legislation in Canada should be reciprocal with similar legislation in any other part of the British empire. In the matter of unemployment insurance it is not reciprocal with British unemployment insurance, and this has created difficulties for Canadians. I have had cases come to my attention of seamen in particular. I can think of one seaman who served in the British merchant marine all during the war and up to the end of 1947. These men paid unemployment insurance in Britain. The British government then repatriated them. They were sent home. When they landed in Canada they were of the opinion they could apply for unemployment insurance and have it paid in Canada. They believed they could register for employment. I was reasonably sure, after looking at their books, and finding them paid up to date, that there would be sufficient administrative latitude granted to the commission to take care of cases of that kind, but I was advised by the minister's office that there was no reciprocal arrangement with Britain with regard to unemployment insurance.

If the act is to be amended and the scope broadened, that is one particular phase of unemployment insurance which should be considered by the minister. We shall not have very many cases of that kind, but where there is even one case or there are two or ten cases the individuals are as badly affected as if there were hundreds. To the individual it is the most important thing in the world. I suggest that the minister should consider this matter before the bill is introduced.

Another matter that I brought to his attention and tried for some considerable time to have ironed out is the problem of the veteran who came back and took employment in some given industry, but who did not work there long enough to make the 180 contributions which would qualify him for benefits. He may have made 80, 90 or 100 contributions; I think it was 107 contributions in the case that I brought to the attention of the department. The individual to whom I have reference then left his employment—he was on the railroad—and took a course, under the regulations laid down by the government in the rehabilitation set-up. After completing the course, he came back but could not secure employment in the field for which he was trained. He applied for unemployment insurance and was told by the officials that he could not secure unemployment insurance because he had not made a sufficient number of contributions to establish the benefit year. He then applied for his armed services credits, which would have qualified him under ordinary circumstances. He was told then that, because he was taking this course, they could not give him the armed services credit, with the result that the boy was unemployed for a long time and, as far as I know, he may still be unemployed. I know he was unemployed in November, 1947. To meet that particular case would require only a slight change.

I have always contended that one cannot make these rules and regulations so rigid that the people who apply them are merely automatons who read a book. There is no latitude given them which permits them to exercise any discretion where there are extenuating circumstances. I think any parliament or any government which brings in an act and makes it so rigid as that has very little confidence in the people appointed to administer that act. I know the officials of the minister's department; I know the minister himself, and I suggest that the deputy minister or someone at the top of the administrative staff should be able to say: This is a small problem; very little money is involved in it; therefore we shall use our discretion. I know they are borderline cases; nevertheless they affect people. By the attitude that has been taken in the past you have created in the mind of this individual a resentment which will be aired in every circle in which he travels. Why not give the deputy minister or someone in the department the

power in the act to say, We shall take care of that. It is a borderline case. I know you cannot cure them all, but when we are passing legislation we should at least have some confidence in the people who are administering the act, so that in cases of that kind they will have sufficient power to correct any difficulty that may arise.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member. May I call the attention of hon. members to the fact that we have before us a money resolution preceding a bill to amend the Unemployment Insurance Act. The question before the house is a motion—I want to emphasize these words—to go into committee of the whole to consider this resolution. The hon. member will remember that it has been decided by the House of Commons that a money resolution cannot be amended. I would ask hon. members to confine their remarks to the merits of the question and not go into details, but to wait until the resolution has reached the next stage of committee of the whole. After the committee of the whole has dealt with the resolution, it will be reported. Then the minister will introduce the bill which will be given first and second readings, and then the house will go into committee of the whole on it. At that time the committee will have an opportunity of discussing the several clauses of the bill.

On a resolution this afternoon I made the mistake of permitting the minister to answer questions, which he is not allowed to do. I am not calling the hon. member who has the floor out of order at the present time, but I make these remarks so that we shall not discuss the same matter two or three times, but only once and thereby save the time of the house.

Mr. GILLIS: I had nearly finished anyway, Mr. Speaker. Under ordinary circumstances I would wait for the bill so as to have a look at it, but in my opinion this resolution opens up a broad discussion. The intention is to enlarge the scope of the act, to clarify certain provisions of it and so on. I rose at this time in anticipation of the minister looking into the bill once more before he brings it into the house, because the spots on which I have put my finger are sore spots, and he may have a chance to amend the measure he is bringing in, so as to take care of the problems I have been discussing with him. These are real problems in my part of the country.

There are many other aspects of the matter to which I should like to refer, but I wish to have a look at the bill and I shall have more to say on the second reading.

[Mr. Gillis.]

Mr. L. W. SKEY (Trinity): Mr. Speaker, I am another member who is pleased with this excellent piece of legislation which is brought down for the purpose of enlarging the scope of the act and clarifying its provisions. My remarks this evening will be quite brief, but I did wish to second what the hon. member for Vancouver East (Mr. MacInnis) said this afternoon with regard to sickness benefits. I am of the opinion that people who are unemployed as a result of sickness should be entitled to draw some benefits, because that is the time they need this help most.

The hon. member also spoke of the lack of public information so far as this legislation is concerned, and in this connection I should like to refer the minister to a recent public-opinion poll which found that only 40 per cent of the people insured under this act knew anything about the benefits to which they are entitled. This information was published in the *Literary Review*. Perhaps the minister's attention was drawn to it.

There is an almost scandalous lack of information on the part of those who are making contributions; and I suggest that the minister's department would serve the public very well if, in sending out the new books as these unemployment insurance books come due, they would also send an information card with them to those who are contributing, so that these people would know exactly what should be paid in case of unemployment, what their benefits are, and how they can realize those benefits.

There are two classes of people who come under the Unemployment Insurance Act and for whom particularly I should like to speak. In the first class we find young women and, in the second, the men and women in the older age group.

As regards the first, the young women, a great many of these girls come into employment in industry or office work and, after five or six years, they pass, we hope permanently, out of the labour market through marriage. During their time of employment they have perhaps been working continuously and contributing continuously to the unemployment insurance fund, and they have never drawn any benefits from it and never will. The contributions they make are lost to them entirely.

I would suggest to the minister, if he has time to reconsider the legislation before it is brought down in the form of a bill, to take into account the position in which these young girls find themselves; and perhaps he might find some way, through the Unemployment Insurance Act, to make them a nice wedding present of their own contributions.

The second class comprises those of the older age group who perhaps have to pass permanently from the working population of the country. The same argument I have made with respect to the young girls applies to the older men and women who will be passing permanently out of the labour market. Perhaps they have an unbroken record of contributions to the unemployment insurance fund and in their old age they will need every help they can get. They will never receive any benefits from the unemployment insurance contributions which they have made.

I would say again to the minister that in this legislation he might see his way clear to giving this older age group of workers a nice retirement benefit.

Mr. STANLEY KNOWLES (Winnipeg North Centre): I rise to say just a few words with respect to this measure at this time. My colleagues the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Cape Breton South (Mr. Gillis) dealt with a number of the points in which I am interested, and I should like to support in particular the plea of the member for Vancouver East that the minister give further consideration to the question of enlarging the scope of the act to provide for sickness coverage, at least in the case of those who become ill while receiving unemployment insurance benefits. We can go into that matter again at a later time and I intend to do so. In fact, at some stage I intend to quote from the remarks of the present Prime Minister (Mr. Mackenzie King) when at the Liberal convention in 1919 he moved an important resolution which called for a number of things, some of which have not yet been put on the statute books, even though twenty-nine years have since gone by.

Tonight I wish to speak about two matters which I had hoped would be included in any measure the purpose of which is to enlarge the scope of the Unemployment Insurance Act. The two points which I desire to bring to the attention of the minister are those which the Winnipeg and district trades and labour council has come to the conclusion are the most important ones so far as the making of changes in the act itself is concerned.

First of all, there is this difficult question of suitable employment. We have had a number of discussions about it from time to time during the past few years when the administration of this act has been before us in the estimates, and I must confess that the minister can point out that there are provisions in the act which give the administration the authority to make the definitions of suitable employment which have caused the trouble. Because that authority is in the act, it seems to me that some change should have been made with respect to that matter at this time.

May I sum up the situation by reading a couple of quotations from a brief on the matter, prepared by the Winnipeg and district trades and labour council:

> In the long run, it is more advantageous to let a person draw benefits a little longer, and put him into a job where he will be satisfied, where he will work to the best advantage; than it is to harry him, under penalty of losing benefits, into a job for which he is unsuited, and with which he will never be content.

Further on, there are a couple of short paragraphs which I should like to read. The first has reference to a number of cases that have already been cited in this brief where the suitability angle is referred to in relation to wages. I quote:

> The cases here referred to concern only "suitability" with respect to wages. There are many other factors, such as distance from home, nature of work, domestic responsibilities and union agreements, all of which affect the suitability of employment.
>
> It is the opinion of the Winnipeg and district trades and labour council that no pressure whatever should be placed on a man who is sincerely seeking employment, to compel him to accept work at a lower rate of pay than that to which he has been accustomed.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member but I must ask him to confine his remarks to the merits of the resolution which is before the house.

Mr. KNOWLES: May I call your attention, Mr. Speaker, to the resolution which we shall be asked to consider in committee? The resolution reads:

> That it is expedient to introduce a measure to amend the Unemployment Insurance Act, 1940, to enlarge the scope of the act, to clarify certain provisions thereof . . .

And so on. As a matter of fact, I had concluded what I intended to say on the particular point that I was discussing—

Mr. SPEAKER: Order. I do not wish to be disagreeable to the hon. member or to any other hon. member, but he will understand that I have a duty to perform and that is to keep the discussion relevant to the resolution before the house. That resolution is:

> That it is expedient to introduce a measure to amend the Unemployment Insurance Act, 1940, to enlarge the scope of the act, to clarify certain provisions thereof, more specially in relation to contributions, procedure, offences and penalties, and to provide further for modification in the rates of contributions with the object of equalizing, to some extent, the total contributions payable by employers and employees.

I do not think hon. members should discuss employment, whether salaries should be increased on account of the fact that people live far away from the place at which they work and so on.

Mr. KNOWLES: It so happens, Mr. Speaker, that I had concluded, before you interrupted on the point, the matter I was discussing. But I must insist on my right to do so under the provisions of the resolution before us. It proposes to amend the act "to clarify certain provisions thereof", and I was complaining about a provision in the act that is not clear—"more specially in relation to contributions, procedure, offences and penalties". As the minister knows, this whole question I am talking about is one of the most ticklish and difficult procedures that the unemployment insurance commission has to deal with under the act. It is under this section that the penalty of being denied benefits causes a loss of confidence on the part of workers. I am sure, Mr. Speaker, that a careful reading of the act itself, and perhaps a closer acquaintance with the administration of the act, would convince anyone that what I have said bears directly upon the resolution.

I just want to conclude by saying that I am sure the minister has received these representations from bodies like the Winnipeg and district trades and labour council; and I hope that even yet, before the bill is introduced, he will see to it that one of the things it clarifies is that particular provision.

The other important point which the Winnipeg and district trades and labour council—along with other labour bodies—felt it wanted to make representations on had to do with the fact that the act, as it now stands, provides for only one umpire in the whole of Canada. At another stage I shall go into some detail as to the difficulties that arise because of this fact; but I ask the minister to give consideration to the request of bodies such as the council to which I have referred, for an amendment to provide for at least three umpires in a country of this size. I am sure he will agree with me that those two amendments to the act which have been asked for would add a great deal to the usefulness and the value of a piece of legislation which, we all admit, is already of great use and value in the life of this country.

Mr. F. D. SHAW (Red Deer): In keeping, Mr. Speaker, with the examples set by previous speakers I propose to be brief. In fact, what I have to say may occupy less time than I expect, because I found it virtually impossible to hear what Your Honour said when directing words of advice to the previous speaker. However I shall proceed, believing firmly that you will stop me if you deem it advisable to do so.

It is to be observed that the resolution before the house indicates that it is expedient to introduce a measure to do, among other things, a bit of clarification. It is about that feature, Mr. Speaker, that I wish to make a few observations. Under the Unemployment Insurance Act of 1940, we find a section, namely section 31, dealing specifically with persons eligible for benefits under the act. I have found that there is a rigidity of interpretation which is hardly justified and which, in my estimation, hardly carries out the spirit of the act. Whether or not clarification is possible remains, of course, a matter of conjecture. Possibly if we were provided with copies of the various directives which are sent out to the regional officers, we might be in a better position to know exactly why they make certain decisions. Let me hasten to observe that I am not speaking critically of those who administer the Unemployment Insurance Act. My limited relationship with them has been pleasant indeed. However I know they are human beings and as such must err upon occasion.

Interpretations under those sections establishing eligibility have aroused the indignation of at least one organization within the province of Alberta, or at least the branch of it within Alberta, namely, the brotherhood of maintenance of way employees who have had several bitter experiences with cases with which they were associated and which affected persons who belonged to their organization. While I do not dare to endeavour to cite too many details of a specific case, I shall give just one or two facts to try to bear out what I had in mind with respect to the spirit of the act.

For the moment I shall use a fictitious name, that of John Brown. I do that for this reason. I shall hand this particular case to the minister, because I feel that he believes we should not allow every case to stand with the decision of the lone umpire functioning under the act. Here is a man, John Brown, for example, who is employed for thirty-six years as a section foreman and who retired at the age of sixty-five. He is a man drawing a salary of $6.75 a day. He owned his home in a small hamlet and had living with him his wife—an aged lady who was badly crippled by rheumatism—and her aged sister eighty-four years old.

This man became unemployed and made application for benefits under the act. For a time he received benefits. He was advised that a certain position was open to him and that he

must apply for it. This position was in a tiny mining centre, and the employment to which he was directed was in the kitchen peeling potatoes and washing dishes at $80 a month, plus his board. It would have required $2 a day, plus board, to hire a man to look after his home and take care of the two adult ladies there.

Mr. SPEAKER: Order. I am sorry to interrupt the hon. member, but I would point out to him that at this stage he should not discuss particular cases. The hon. member should confine his remarks to the general principle of the resolution which is before the house. When the bill is introduced he will know what is in it; and if what he is interested in is not in the bill, he can make representations accordingly.

Mr. MacINNIS: I think that ruling, Mr. Speaker, cannot be allowed to go unchallenged, because we are dealing here with proposals made for amending an act. Those proposals are wide open; as a matter of fact, there is more scope than when the bill is before us for second reading. The bill will contain definite principles, but in this resolution the terms used to describe the principles which will be in the bill are very wide. During the time I have been in this house I have not seen discussion at the resolution stage limited to any particular point, as long as it had some relation to the subject matter involved; and I should be glad indeed if Your Honour would cite the rule or standing order that provides for the limitation of debate at this stage of a measure.

Mr. GREEN: I should like to support the hon. member for Vancouver East (Mr. MacInnis), and I trust Your Honour is not endeavouring to cut down our right of debate at this stage. The resolution itself is in very broad terms. It refers to "enlarging the scope of the act", which is a general statement, and "to clarify certain provisions thereof." You really could not have a resolution more broadly worded than the one now before the house. I think it is admitted that we would have full freedom to discuss the question of unemployment insurance during the committee stage of the resolution, and I submit that we have just as much freedom of discussion with Your Honour in the chair. I submit that there is nothing in the rules which would permit Your Honour to restrict debate as you are endeavouring to do at this time.

Mr. SPEAKER: I tried to make it clear to the house that I was not making a ruling when I drew attention to the fact that some hon. members were discussing individual cases. They may be relevant; it is always possible to find words in a resolution which may cover some cases, but I pointed out that if each hon. member decided to discuss individual cases during the resolution stage, instead of discussing the merits of the resolution itself, it would take a very considerable time. If it is the wish of hon. members that this should be done, well and good; but I thought it my duty to call attention to the fact that the motion before the house is for the Speaker to leave the chair for the house—and I want to emphasize this again—to go into committee of the whole to consider this resolution.

As I stated a moment ago, it has already been decided that these resolutions cannot be amended except in committee, and the minister is not permitted to speak twice on the resolution at this stage. So I thought it only fair to suggest to hon. members that they discuss the merits of the resolution now and go into the details when we are in committee. Then, if they have some further provisions they are anxious to have in the bill, such provisions may be brought forward when the bill is under consideration.

Mr. GREEN: Surely an hon. member has the right to cite a case as an illustration of the point he is trying to make, and I believe that is what the hon. member for Red Deer (Mr. Shaw) was doing. If we are not to be permitted to do this our discussion may be seriously curtailed. The question of amendment has really nothing to do with our right to debate this resolution. No one is asking for permission to amend the resolution, but surely we have the right to debate it.

Mr. SPEAKER: I would call the attention of the hon. member for Vancouver South (Mr. Green) and other hon. members to the fact that I did not intend to suggest they could not debate the resolution now before the house. Of course it is their privilege to debate it, but there is a difference between the privilege of debating the matter, and not confining their remarks to the principle of the resolution now before the house.

Mr. KNOWLES: May I ask Your Honour to consider one other point in connection with the matter?

Mr. SPEAKER: Order. I suggest that the hon. member for Red Deer proceed.

Mr. SHAW: Speaking broadly and in a very general way, I have endeavoured to emphasize the fact that the administrative officers operating under this act, being normal

people, are bound to err, especially when the terms of the act are such as would tend to bring about that natural result. I was not quoting facts relative to a specific case; I took a case which was generally typical of conditions which have aroused the ill-will, shall I say, of a particular labour organization, the brotherhood of maintenance of way employees. I suggested that it surely could not be argued that the spirit of this act is being followed when an individual who has been employed in a position which enabled him to be home every night to look after his aged wife and aged sister-in-law, a position which paid him $6.75 a day, should now be obliged to leave his home and travel sixty miles to take a job in the kitchen of a mining camp, peeling potatoes and washing dishes, for $80 a month and board, more particularly when it would become necessary to hire someone at a minimum of $2 a day and board to look after his dependents at home. That is a situation which has developed under the act, a situation which has led the assistant general chairman of the brotherhood of maintenance of way employees to state:

> . . . I feel that labour should not be required to accept such a decision as given in this case, without lodging a strong protest in the highest quarters and the arbitrary powers of the umpire, if not used with discretion and a sense of fair play towards labour, should be curtailed.

That is the feeling of the assistant general chairman. It might also be of interest to note that they say a rank injustice has been done not only to the individual or individuals but to those dependent upon them, and in this communication they refer constantly to a strong feeling of resentment which has developed at what they call these arbitrary tactics. Possibly that expression is rather strong. I want to emphasize that I think the men who are administering the act are endeavouring to do a good job, but I wonder if they are plagued by directives which countermand their desires, so that generally they are placed in an unfortunate position, as a result of which their actions under the act may take on the appearance of arbitrary action.

Then, of course, they go on to point out that surely the welfare of the workingman should be taken into account, and in fact they say it should be the primary object under the act. They say the maintenance of way employees have been aroused wherever this case has been discussed.

The point I want to make is this. During the consideration in committee on the bill which will follow this resolution, I hope that more than merely passing consideration will be given to the sections relating to eligibility under this act, and that we may find out whether or not this situation, which evidently prevails in certain parts of Canada, is general across the country. I have not desired to be critical in what I have said, but I think the duty rests upon us to remove conditions which result in cases of this kind.

May I point out that under the act this case was carried right to the top so far as the act goes; it was carried to the umpire; and, so far as the employee is concerned, he is finished at that point. But I fancy the minister, if he were so disposed could assess the facts of a case like this and, if he finds that a rank injustice has been done, he can take the necessary action to render justice to this poor old fellow, who believed that he had complied with all the regulations, and who, I believe, did and who certainly deserves better consideration than to be told to go out washing dishes, even though there is a difference of some hundreds of dollars a month in the rate of pay.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I wish to give general support to this resolution. When I first came to parliament I introduced on the first or second day a motion in the house, along with the then member for Winnipeg North Centre, Mr. Woodsworth, in favour of unemployment insurance and old age pensions. I happened to be the president of the Union of Canadian Municipalities when we were urging this thing in the early 1920's and before. We had hundreds of employees in the various departments in the city of Toronto, with a payroll running into millions of dollars. Some of them went to the first war and afterwards returned to their old positions in the city's service. Then we had the school board, public utilities, the harbour board, and hydro, and later on, the transportation commission, all with a large number of employees and a big payroll.

Before the present government introduced the Unemployment Insurance Act in 1940, some of the municipalities in Ontario went to Queen's Park, Mr. Hepburn then being premier, and we were told that under the municipal act we could not legally pay our employees on retirement $12 a week, and were recommended to come to Ottawa. The result was that this act was introduced, and it has been a blessing not only to the employee but to the employer.

I do not want to impose any undue burden on the employer; far from it. Unemployment insurance has been a splendid thing for the country. There are certain defects in the present law, and I believe that the minister has already received representations from the public utilities of the province, from employees

and employers, who recommended certain amendments. Is that not right?

Mr. MITCHELL: That is correct.

Mr. CHURCH: I wish to support this resolution. The more a person pays in, whether it be employee or employer, the better the results will be. I have seen a good deal of the working of this act and it has been a great thing for the country. Long may it continue. I believe that the amendments now proposed will clarify the existing regulations which are issued by the minister and his officials. I want to say that he has some very good men in that department. I know because I have seen a good deal of them. I shall await the bill with interest and in the meantime give general support to this resolution.

Mr. J. H. HARRIS (Danforth): Mr. Speaker, I should not like this occasion to pass without my word of commendation for this resolution. I think earlier today the Minister of Labour (Mr. Mitchell) was perhaps a little dubious on which side of the fence I leaned.

Mr. MITCHELL: Never.

Mr. HARRIS (Danforth): Thanks so much. I am firmly convinced that legislation of this kind is good for the weal of Canada. I remember so well reading what the late Mr. Lloyd George had to say prior to the introduction of his unemployment insurance measure in the British house and before he made that great speech on the subject of wastage—the wastage of manpower, the wastage of the energies of the British people, the wastage of waterpower, waters tumbling down a mountainside, leaping from rock to rock, but grinding no corn. We of the present generation have learned how to harness that waterpower, and my imagination was gripped by his words. When in this honourable assembly we had to wait until 1940 for unemployment insurance legislation, I thought we, too, had waited too long.

I do not want to be confined in my remarks, Your Honour, to the individual clauses of the bill which will come before us in a day or two, but rather I want to make a few observations in a broad general way, as one of this chamber who is privileged to see, on the one hand, a couple of hundred employees contributing each week to this unemployment insurance fund, another 350 in another place, and another forty out west. The fund today amounts to $450 million. I ask the Minister of Labour if that is not the correct figure.

Mr. MITCHELL: Close to it.

Mr. HARRIS (Danforth): It is earning $30,000,000 a year. It is like a snowball going down hill growing in magnitude. But when the July sun of unemployment finds its place in the changing of things that snowball will melt away. The day may yet come when this fair Canada of ours will be short of funds wherewith to pay back to those who have subscribed to the unemployment relief fund, and we shall find ourselves—pray God not for a while or in our time—borrowing money with which to provide the funds necessary to pay unemployment relief. I hope that day will not come. I am thinking of those with whom I am associated when I say that I hope that for a long time no one of them will find himself unemployed and unable to contribute to unemployment insurance.

I must from the Conservative point of view ask the minister when bringing down his bill to give consideration to this: Do not be carried away with the requests for the enlarging of the provisions of this bill which you propose to introduce. You have been asked to give consideration and to grant benefits which do not belong to this bill. I heard mention this afternoon of sickness insurance and whatnot. That is the responsibility of all of us, but it is not the responsibility of those with whom it has been my privilege to associate who have contributed each week, out of their pay envelopes, a mite for unemployment insurance for the time when they are unemployed. That mite is not for sickness but for unemployment only.

I charge this administration, or any administration which follows it, to take full responsibility for all these other features of social welfare. They should be considered individually. Let every herring hang by its own tail. Since 1940 this administration has extracted from the people $450 million, for what? For unemployment insurance. Put that $450 million into the category where it belongs and do not be carried away by any socialistic ideas of putting it elsewhere.

That strikes a common note with the Minister of Labour. Without reading the resolution which is in front of me, I say to him not to be tempted to dabble into this large reserve created by payments made by honest employees for one purpose and one purpose only. Keep it where it belongs. We will rise in our places and vote, if we are in power at that time, for sickness insurance and whatnot, or if someone else happens to be there we will support any measure of social security which is reasonable and right. Speaking for myself, I will not support any resolution which expands the payment out of this fund for sickness insurance, as was suggested this afternoon, or for any other kind of insurance.

When these things come along in their right order and in their right place they will receive sympathetic consideration. I say to the Minister of Labour and to the administration which surrounds him: Do not in any way dissipate the funds which have been paid in by employees whomsoever for any purpose whatsoever. Keep the fund inviolate and by itself.

Those of us who have been privileged to make up substantial payrolls are concerned when we see the pay envelope being desecrated by demands of provincial and dominion administrations. In common with the minister I am British and I consider that a man's pay envelope is something that is almost sacred. I consider it to be almost sacrilegious for any administration to go into a man's pay envelope and take out unemployment insurance and a dozen other things.

When the man comes home to his wife he brags that he is making $30 or $40 a week. He then hands her his pay envelope, and I hope the Canadian workman will always hand over his pay envelope to the woman who knows how to spend it and how to conserve it. He thinks he has earned $40 a week, but when she opens up the envelope she finds only $30. There have been deductions of $10.

I may be Victorian and old-fashioned, but really and truly I cannot bring myself to the point where I believe that that is fair, decent or right. I think every dollar a man earns should be in his pay envelope, so that his wife can receive it. Even if you have to come along and collect it afterwards, collect it as best you can and God help you. I think it is wrong to interfere with a man's pay envelope, especially a workingman.

There has been such a continuity and extension of this practice during the last two or three decades that some of us who have the privilege of filling pay envelopes throw up our hands in holy horror. We cannot explain to our employees what has happened. These men could not tell you on their oath how much has been taken from their pay envelopes for unemployment insurance. If the Minister of Labour told them that $450 million had been extracted since 1940 they could not understand it. All they think about is their take-home pay. Their wives can spend only 80 per cent of the money their husbands have earned. That is all that is contained in the pay envelope. This may not be parliamentary, but I think it is a sneaky way to take it away. They do not even know it is gone. All they know about is what is left in the pay envelope.

Let us be honourable. Let those who are charged with the administration of Canada's affairs see that that fund of half a billion dollars is not dissipated. It should be reserved and conserved so that it can keep on earning $30,000,000 a year as it did last year. However, the rate of interest has gone down from four per cent to three per cent. We should save it for these people for that day which will come when they will need it.

History will repeat itself, but I hope it will be a long time before we have difficult times. We are getting so used to good times that it is going to shock a lot of people when the difficult days come. I hope the Minister of Labour will listen not to the ideas of some of our socialist friends, and I am thinking of the hon. member for Winnipeg North Centre (Mr. Knowles), who bewails the fact that there is nothing in this for sickness insurance. Leave the blessed thing alone. We will tackle sickness insurance when sickness insurance needs to be tackled. Leave the unemployment fund intact because it may be needed. Lloyd George lived long enough to see it needed in England. I hope the minister will live long enough to see this party on this side of the house administer it in Canada on behalf of him and his friends.

Mr. MITCHELL: That is the only time you will need it, when you are over here.

Mr. HARRIS (Danforth): Thank you. I turned my deaf ear so that I could not get it. I do hope that this fund will not be dissipated in any way whatsoever, and that the minister will not listen to the blandishments he may receive from the left particularly, and perhaps the odd one from the right. Leave the resolution intact as it stands, inviolate. Put it through this house and it will get some support in the years to come, and this administration which is looking after it in our interests will receive the endorsation of the people of Canada along with the endorsation of those who have the privilege of sitting on this side.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, on March 23 I asked the Minister of Labour (Mr. Mitchell) a question and I should like to read it now. It was prompted by a resolution that was passed by the city council of Peterborough and forwarded to me, a copy of which I showed the minister. The question may be found on page 2504 of *Hansard,* and reads as follows:

Mr. Speaker, I should like to direct a question to the Minister of Labour. As municipal welfare departments are receiving many applications each day for public assistance from unemployed persons during the time that these persons are waiting to receive their first cheque from the unemployment insurance commission, and as the minister knows this welfare is charged one hundred per cent to the munici-

pality, this is the question: Will consideration be given by the commission to shortening the delay in the payment of the first cheque to a waiting period of six days instead of the present waiting period of nine days, during which time no payment is made of unemployment insurance benefits?

The minister said:

Mr. Mitchell: The hon. member has stated the position correctly. Of course, the responsibility for unemployment relief is that of the municipalities and the provinces. At the moment amendments to the Unemployment Insurance Act are being studied by my department and an announcement of government policy will be made in the usual manner.

When the minister made his statement today I do not think he said anything about shortening the waiting period. I do hope that, when this bill is brought down, consideration will be given to this point because it is certainly unfair to the workers today and to the municipalities.

On the same day I asked the following question:

I have another question. Has the dominion government considered increasing these unemployment insurance benefits owing to the increased cost of living?

The cost of living today, as the minister knows, is sky-high. With $450 million in the unemployment insurance treasury, I see no reason why, for the time being, these benefits cannot be increased. I hope that the minister will give consideration to that.

Mr. D. G. ROSS (St. Paul's): I have not the command of voice of my colleague, the hon. member for Danforth (Mr. Harris). I was entertaining some of my friends from my own riding in Toronto who are very important people, and I said to them that I was sorry, that we would probably miss the wonderful speech which has just been made by the hon. member for Danforth. However I must say that we did hear the speech because, as we came down the hall, we heard practically every word that the hon. gentleman said. It was a very able speech, and I agree with everything that he said.

I have only a few remarks to make in connection with this matter. The minister said that he had had a letter from some man in the United States who told him that he wished the Unemployment Insurance Act was as well administered in the United States as it is in Canada. I think it is well administered in Canada, but I think it is well administered in the United States also. I find that it is well administered there.

I should like, in passing, to point out to the minister that it is most important that he should have the best people that we can possibly get to administer this fund in Ontario so that we do not make communists. That is my point about it, and I think it is very important.

The minister said that this act was actuarially sound. I do not know whether it is or not; I do not know whether we have had sufficient experience to tell us whether it is actuarially sound or not; I hope it is, and I hope that we administer it in that way.

There is just one thing that appeals to me in this matter. I have had a little correspondence with the minister in connection with a certain case, and I know he has had correspondence along the same line. When a person has been paying into the unemployment insurance fund for years and all of a sudden meets with a terrible accident which incapacitates him, it seems very difficult when nothing can be done for him. The minister said that there are lots of people who have been paying into this fund who will never get a dollar out of it. I do not think this fund goes far enough. Any person who has done an honest day's work for years and meets with an accident which incapacitates him should have some recourse. We know there are opportunities for insurance against such casualties; but, after all, if a person pays a premium into this fund for years he has the idea that if he meets with an accident he will be taken care of.

Mr. MITCHELL: How about car insurance and fire insurance? What do you want? Choose your weapons.

Mr. ROSS (St. Paul's): Perhaps I should get busy and find some insurance to compensate the minister when his government goes out of office not so very far from now. There should be some extension of this act to take care of a person who meets with an accident. I am speaking of the person who becomes absolutely incapacitated through no fault of his own and has paid into this fund for years. I know the act says a person is entitled to insurance so long as he is able and willing to work. Is that not what it says?

Mr. MITCHELL: Yes.

Mr. ROSS (St. Paul's): There is an opportunity here to do something with this act so that it will assist those persons to whom I have referred if they are not able to work. I am not talking about people who are sick. There are certain classes of sickness which may incapacitate; but where a person is incapacitated by an accident, something

should be done to compensate him for all the money he has paid into the insurance fund.

That is all I have to say, but I would ask the minister a question which I should like to have him answer. He said, in this letter to me, that the premium which would have to be paid by the individual would be considerably greater than it is now. As far as sickness is concerned, possibly that is so. I am asking, however, about people who have accidents of one kind or another and not people who suffer in the ordinary course of employment. That is taken care of by workmen's compensation. How much more would such people as I have in mind have to pay? How much would the premium be increased to take care of that situation?

Motion agreed to and the house went into committee, Mr. Golding in the chair.

Mr. PEARKES: There is one matter which I would bring to the minister's attention and on which I would ask him a question. I refer to a group of employees in the coal mines on Vancouver island, known as fire bosses. These employees are hired on a monthly salary, and from time to time their salary has been increased as a result of increases in wages paid to miners who are working in their gangs. Quite recently there has been an unfortunate cessation of work in the Nanaimo coal fields. The result has been that wages were increased to the miners, but it has also resulted in a corresponding increase in the monthly wages paid to the fire bosses. As a consequence, the fire bosses are no longer eligible for unemployment insurance, owing to the ceiling of, I believe, $3,120 a year, which is the maximum salary a monthly employee may draw if he is to obtain unemployment insurance.

I should like to read a paragraph from a letter I received from the secretary of the fire bosses' union, because I think it explains the case very well. I quote:

> We have been in and out of the confines of this act at various times since it came into operation. For example, we contributed continuously from June 7, 1941, until December 23, 1943, when an increase in our monthly salary placed us in an exempted class. Since that time we again contributed for a short time in 1946. Then again in November, 1947, to present date. Since our monthly salary rises with miner's wages, any increase granted to end the present strike will again place us in the exempted class.
>
> Now our complaint is, that although at present out of work due to the miner's strike we have been denied benefits for what we paid in between 1941-43. In 1944 we made strenuous efforts to continue our payments but were ruled out because we were on a monthly salary basis and were above the yearly ceiling set by the government.

[Mr. Ross (St. Paul's).]

My question is this. Do the amendments now being introduced raise the monthly ceiling?

Mr. MITCHELL: The amount has been raised from $2,400 to $3,120 per annum.

Mr. PEARKES: In these amendments?

Mr. MITCHELL: Yes.

Mr. KNOWLES: I should like to ask the minister to comment on three points which were raised at a previous stage of the debate. First of all, I would ask him to say a word about sickness, but in raising the matter now I would ask him to follow me closely and to realize that I am not now asking him about the broad issue of an over-all scheme which might be called health insurance in general. I am asking now with specific reference to the kind of case which the hon. member for Vancouver East brought up and which is fairly common, the case of an insured person becoming unemployed, qualifying for benefits and becoming the recipient of benefits, but being taken ill later while in receipt of benefits. The minister knows that when that happens the recipient's benefits are cut off, even though there is still no employment for him. I am not asking the minister to go into the broad picture of health insurance at this time, but I hope he will comment on this point.

It seems to me that some amendment might have been made to the act at this time to provide that such a person who is receiving benefits shall continue to receive them, even though he may be taken ill during that period of time.

The second matter on which I would ask the minister to comment is that concerning which representations have been made to him from time to time, particularly the representations from the Winnipeg and district trades and labour council to which I referred earlier this evening, having to do with suitable employment.

Again, I am not going into details such as we have gone into before with respect to the directives sent out, such as those referred to by the hon. member for Red Deer. I am referring to the general fact that there is a section in the act covering the matter.

The third point I would ask the minister to comment upon is the request from labour bodies for increasing the number of umpires from one to at least three.

Mr. MITCHELL: My hon. friend says he does not want me to cover the broad question of sickness insurance. You have to do so.

Mr. KNOWLES: All right; go ahead.

Mr. MITCHELL: On the present basis, this legislation cannot provide for sickness. A fresh actuarial basis would, in my opinion, be necessary for that purpose.

Mr. CASE: That is right.

Mr. MITCHELL: As regards suitable employment, I do not think it is possible to state in the English language what is suitable employment. I do not think it is possible in the drafting. However we have applied checks and balances. The hon. member for Red Deer raised a question, the details of which I do not know, but in such cases there is an appeal to a court of referees composed of employer, employees and an impartial chairman, with the right of appeal to an umpire.

My hon. friend has suggested three umpires. I have an open mind on that point; but he will agree with me, I believe, that it is far better to have one umpire and at least have some uniformity of decision such as is ensured by such a provision.

When we are speaking of suitable employment, it occurs to me that in Great Britain they have had unemployment insurance for thirty-seven years and they were never able to define the term in English. By the very nature of things, it is like a board of conciliation. It is like this House of Commons. Each case must be dealt with on its merits. If my hon. friend has the language, I should like to take a look at it.

Mr. KNOWLES: May I proceed for just a moment longer, Mr. Chairman?

Mr. ROSS (St. Paul's): I will just ask the minister the questions again. First of all, the minister mentioned the question of actuarial soundness.

Mr. MITCHELL: Certainly.

Mr. ROSS (St. Paul's): I should like to know a little bit about that, just how he knows about the fact of actuarial soundness. The other thing was this. I had a little bit of correspondence with the minister in connection with one case; that was with regard to accident. I said I did not think it would cost a great deal more to put that into the act, and the minister, in his letter to me, said the premium that was paid would not be nearly sufficient to cover the thing. What I should like to know is how much more the premium would have to be in order to cover the case of accident which created a total disability.

Mr. MITCHELL: I am not like some members of this House of Commons, who are experts on everything and masters of nothing. I am not an actuary and I do not intend to try to be an actuary this evening.

Mr. ROSS (St. Paul's): Who are your actuaries?

Mr. MITCHELL: I do not know. I am informed that they were the best we could get in the dominion at the time the act was drafted.

Mr. ROSS (St. Paul's): That does not answer my question.

Mr. MITCHELL: It must answer it.

Mr. ROSS (St. Paul's): It does not. Who are your actuaries?

An hon. MEMBER: Do not embarrass the minister.

Mr. MITCHELL: You cannot embarrass me. Do not worry about that. May I say that if I have the choice of having to take the advice or opinion of an actuary or having to take the advice or opinion of the hon. member for St. Paul's on the actuarial soundness of this legislation, I will take the actuary's advice every time.

Mr. ROSS (St. Paul's): The minister makes a statement. The minister says they had the best actuaries there were. There are just 245 members in this House of Commons. The minister said he does not know who the actuaries are. My point is this. I think the House of Commons is entitled to know who those actuaries are, so that the House of Commons can judge them for themselves.

Mr. MITCHELL: The actuary was Mr. A. D. Watson of the Department of Insurance, who is recognized as one of the outstanding actuaries in the dominion.

Mr. ROSS (St. Paul's): How much more would it cost to have accident included. I am not talking about sickness but rather of accident. The minister said it would cost a great deal more. I doubt that it would cost a great deal more. As I said before, a person who had been paying into this fund for years and who becomes totally incapacitated as a result of an accident through no fault of his own, should certainly be protected. He has a recourse of course; the minister knows it and I know it. He himself can take out insurance. But how much more will it cost to put it into this thing?

Mr. MITCHELL: I do not know.

Mr. ROSS (St. Paul's): That is a good answer.

Mr. MITCHELL: Yes, it is a good answer. It is a correct answer. If my hon. friend knows how much it would cost, I wish he would

tell me. I have made the point, I think, with the hon. member for Winnipeg North Centre that sickness insurance by itself must stand on its own feet. In Great Britain sickness insurance was entirely separate from unemployment insurance. In New Zealand it is the same way. But when we are talking about sickness insurance—and I have advocated it all my life pretty well; ever since I was in the labour movement, anyway—I wish sometimes the people who advocate it—and I am not opposing it when I make this observation—would tell the men and women of this country what it will actually cost. The hon. member for St. Paul's talked about deductions in connection with unemployment insurance.

Mr. KNOWLES: That was the hon. member for Danforth.

Mr. ROSS (St. Paul's): I am talking about the premiums that are paid.

Mr. MITCHELL: That is a small amount in comparison with the deductions which will be necessary to have an over-all plan of health insurance.

Mr. ROSS (St. Paul's): That is not what I am talking about.

Mr. MITCHELL: Sometimes the hon. member does not know what he is talking about.

Mr. ROSS (St. Paul's): Wait a minute. The minister cannot say that. I take exception to that. I do know what I am talking about. I know more about it than the minister thinks I do.

Mr. CASE: Or more than the minister does.

Mr. ROSS (St. Paul's): Or more than the minister does either.

Mr. MITCHELL: If my hon. friend would just stop interrupting, that is all I ask. I did not interrupt him when he was speaking.

Mr. ROSS (St. Paul's): That is all right.

Mr. MITCHELL: I did not interrupt him when he was making that masterly oration just now. As I say, you should be frank with the people. There is no free nation on earth that I know of which has been able to combine health insurance and unemployment insurance.

Mr. ROSS (St. Paul's): I did not ask about health insurance.

The DEPUTY CHAIRMAN: Order.

Mr. MITCHELL: Does my hon. friend not see that by its terms this resolution has to do with unemployment insurance? He is talking about sickness insurance—

[Mr. Mitchell.]

Mr. ROSS (St. Paul's): No, I am not.

Mr. MITCHELL: —and accident insurance. Then what are you talking about?

Mr. ROSS (St. Paul's): The minister has not answered my question. I am talking about something which is entirely different. I am talking about accident insurance. Perhaps the minister did not understand what I said. I will apologize for him for not understanding. I am talking about accident insurance. The minister says he does not know how much it will cost to have the kind of thing I am talking about put into this bill. I think it is a good suggestion that it should be put in. I would suggest to the minister that he get good people to find out what the cost would be.

The DEPUTY CHAIRMAN: Order.

Mr. ROSS (St. Paul's): I could find out how much it would cost; I could get, through people I know, how much it would cost; and the minister, through his connection, ought to be able to do the same thing.

Mr. KNOWLES: I appreciate the minister's comments in reply to the questions I asked a few minutes ago. I want to say right now he is perfectly right in pointing out that if we are to have in this country—as some day I hope we shall—an over-all social insurance scheme, we shall have to pay for it. There is no doubt about that.

Mr. CASE: We are glad to hear that.

Mr. KNOWLES: The minister need not suggest that any of us think social security can be pulled off trees somewhere, but it will be worth paying for. As the minister knows, whenever the occasion arises I am doing my best to press the government to move in that direction. But what I asked him about tonight was not, I submit with all respect, the broad question of health insurance, but rather cases of the restricted kind that the hon. member for Vancouver East drew to the minister's attention. The minister did not deal with cases of that kind. He just replied that, by the very nature of the thing, you had to go into the whole broad story.

I again ask the minister to face this question. I accept his statement that he is not an actuary. I am not one either. It seems to me, however, that it is a fair question for me to ask him as to whether it would upset the actuarial soundness of the unemployment insurance fund to continue paying benefits to the kind of person about whom we are talking. We are not talking about a person who is on the job and who becomes sick and therefore

asks that he be covered out of his unemployment insurance; that is another question, equally important, but not now before us. We are talking about John Doe who became unemployed because there was no job for him. John Doe subsequently qualified for unemployment insurance benefits and began to receive them. But while he was unemployed, during that period, he became ill. His wife went to the unemployment insurance to collect the benefits, but when she reported that he was ill, he was cut off. There was still no job for him. Had he been well, and had he been able to go and draw his benefits, there being no job for him, he would have drawn them. The only point I am asking the minister to consider just now is the question: would it upset the actuarial soundness of the plan to enlarge its provisions to cover a case of that kind?

I repeat that I am quite prepared, at the proper time, to argue and press the claim for complete health insurance, indeed for overall social insurance, covering all the things which happen to us, which are beyond our control; but for purposes of my present argument I accept the minister's statement that we are dealing with something that has an actuarial basis, and within that framework I have asked him to deal with a particular kind of case.

While I am on my feet I should like to ask the other question, so that I shall not have to quarrel again with the hon. member for St. Paul's for the floor.

Mr. SINCLAIR: Let us have that question answered.

Mr. KNOWLES: All right; the hon. member for Vancouver North suggests that we have this question dealt with.

Mr. MITCHELL: In the first place, I never heard of this case until it was mentioned this evening by the hon. member for Vancouver East, and I should like to take a look at it myself. From the mere fact that a person writes a letter, it does not necessarily follow what is in the letter is a statement of fact. I should like the hon. member to give me the letter privately so that my officials in Vancouver, if it is in Vancouver, may look at the case. Most of these matters go over my desk, but this is the first I have heard of it. In view of the discussion which we have had this evening and the number of complaints which have been expressed by hon. members here, having in mind that we have three and a quarter million people insured, I think that is a pretty fair batting average. However I would be grateful to my hon. friend if he could give me the correspondence confidentially so that I can have my officials look at it.

Mr. KNOWLES: Both the hon. member for Vancouver East and I will do so.

Mr. SINCLAIR: I can tell the minister it is not an unusual case. I know of several such cases in the shipyards of North Vancouver, where men went on unemployment insurance and then became ill. There was still no work for them, but their benefits were cut off. Whatever minute saving might be made cannot compare as against the distress to such a man who, if he needed the benefits when he was well, certainly needed them far more when he was sick. I suggest that it is not a case for the exercise of ministerial discretion so much as a case for a ruling on the general principle of whether, when a man becomes ill while in receipt of unemployment insurance, and still no employment presents itself, he should not continue to draw his benefits.

Mr. MERRITT: In making his statement this afternoon, the minister referred to the situation which occurs in Vancouver almost every winter, when large numbers of unemployed come to town looking for jobs. As the minister knows, that creates quite a difficult situation for the Vancouver authorities and the community chest. This year that body carried out a survey and found that fifty per cent of those unemployed at that time came from out of town. They thought part of the trouble, part of the reason the relief for these unemployed falls upon their shoulders so heavily, is that unemployment insurance benefits are, as a rule, not paid during the nine-day period.

I want to ask the minister three questions, of which the first is this. If I understood him correctly, this afternoon he mentioned that a thirty-six day advance could be made on production of the unemployment insurance book. Does this mean that a person coming into the unemployment insurance office in Vancouver, though he did not work or make his contributions there, on production of his book giving the proper information can get an advance of thirty-six days, from an office where his records are not kept?

Mr. MITCHELL: Yes, that is being provided for in the bill. I will go into that later, but at the present we are still at the resolution stage.

Mr. MERRITT: The minister mentioned the thirty-six day advance this afternoon; that is why I asked.

Mr. MITCHELL: That is right.

Mr. MERRITT: In other words, the advance can be made without reference to some other office?

Mr. MITCHELL: Yes.

Mr. MERRITT: I think that is a very good provision, which undoubtedly will do a great deal to relieve the situation.

Mr. MITCHELL: I should like to make a point, if I may. The man must have his book with him, you understand.

Mr. MERRITT: Yes, that would be necessary. I suppose the commission will take steps to let people know the importance of having their books with them, in view of this provision. I repeat that I am sure this will be very useful in relieving the situation in Vancouver.

The next question is the one asked by the hon. member for Peterborough West. Will the minister tell the committee whether it would be possible to reduce the nine-day period to six days, as suggested by the hon. member? A reduction of this kind would take the responsibility for unemployment relief further off the shoulders of the municipality and private agencies, and would be a great help.

My last question—perhaps the minister can deal with these two at once—is whether he will make a statement on what can be done under the Unemployment Insurance Act or by his department to relieve the strain on a municipality caused by a seasonal influx of unemployed persons?

Mr. MITCHELL: As to the first question my hon. friend raises, I have had it looked into by the actuaries, and they think it would be too great a strain on the fund on the present basis. I consider it fair to say that unemployment conditions being as they are, I do not think nine days is too long. Take a single fellow in Regina, Calgary, Edmonton or Winnipeg who picks up stakes and goes to Vancouver. A waiting period of nine days is no hardship, in my judgment, if that fellow has been steadily employed.

The other question is more difficult. The hon. member spoke of the migration to the west coast.

Mr. MERRITT: Yes, though I understand it takes place in other cities as well.

Mr. MITCHELL: I may tell my hon. friend I should like to live in Burrard myself during the winter.

Mr. MERRITT: We should like to have you.

[Mr. Mitchell.]

Mr. MITCHELL: But someone has to stay in the cold climate and produce some of the wealth, though you understand I am not suggesting that you do not produce your share in British Columbia. It is like the birds, and you will remember the story about the seagulls in Victoria. The birds like to fly south for the winter, and under ordinary conditions those of us who can afford it like to go south as well. There is not much difference between that and a fellow jumping on a freight or getting on a train and going to Vancouver or Victoria. That is one of the penalties you have to pay for living in that sublime climate; and it would not be so bad if you did not brag so much about it. In that case perhaps fewer people would want to go there.

Mr. CASE: We might have the first two months of the session out there.

Mr. MITCHELL: Yes, of course.

Mr. KNOWLES: Be careful; there are a couple of by-elections being held out there.

Mr. MITCHELL: We will be there, too. I have watched that movement for a good many years. We have advised against it. We did so last fall, and I think it was the hon. member for Cape Breton South who spoke of the power my department and particularly the minister had under selective service. I believe in the basic principles of freedom. While it may be logical to push people around in wartime when men and women are in uniform and there is a tremendous shortage of labour, I question the wisdom of telling anyone he cannot go anywhere he likes in this country on his own responsibility.

In my quieter moments during the war period I often used to say to myself that I hoped all the "shalls" and "dos" and "don'ts" I had to enforce then would not impair the basic freedom of the Canadian people. It is so easy to slip into a form of what might be called dictatorship, though some people call it planned economy, to make it sound good. I think it is a dangerous thing for the state to have the right over a long period of time to move people around against their will, so that young people in the formative stage will come to take it for granted. That can lead to only one thing.

Some hon. MEMBERS: Communism.

Mr. MERRITT: I never suggested that the minister should direct labour or anything like that. His analogy of the bird was a nice one, but what we are concerned with is who keeps the bird's nest, and we would much prefer

the minister to keep it rather than the municipal authorities and private social agencies in Vancouver. I suggest to the minister that the condition is a chronic one and that it does not prevail only in Vancouver, but I have heard it said that there is a similar migration into Windsor. The services for these people who are unemployed through no fault of their own have to be provided by some agency, dominion, provincial or municipal. When such a large percentage of the unemployed come, as shown by this survey, from outside the municipality it does not seem to me to be fair that the municipality or private agencies should bear the cost. The difficulty may not be easy to solve. but it should be studied by the unemployment insurance commission with a view to the dominion assuming its responsibility.

Mr. ARCHIBALD: The Prince Rupert labour council several months ago inquired as to the possibility of placing an officer in the northern area of British Columbia to settle the cases up there, because they have to wait so long to be cleared through Vancouver. Has the department come to any conclusion on that point?

Mr. MITCHELL: As far as my memory serves me, we did send a man out there; it is an administrative question, as my hon. friend knows, but I shall be glad to look into it. We have endeavoured to decentralize the adjudication of claims both in the western provinces, Ontario and Quebec, and the maritimes so as to speed up payments.

Mrs. STRUM: I think we should at this time try to impress upon the minister the necessity of helping the worker to insure himself against illness as well as against unemployment. I believe the government was wise in bringing in unemployment insurance at a time of high employment and when wages were good, although, of course, its action was long overdue.

I have in my hand a document brought out in 1919. It is called the National Liberal Convention, held thirty years ago, and here is one of the things it proposes:

> And further resolved:
> Effective legislation for the conservation of human life and health.

Dear knows how many people will have died in the meantime before we get around to doing that.

> And further resolved:
> That in so far as may be practicable, having regard for Canada's financial position, an adequate system of insurance against unemployment, sickness . . .

And so on. I wish to draw to the minister's attention that even thirty years ago the Liberal party put beside unemployment insurance, insurance against illness. When we talk of how much it would cost, what the actuarial basis would have to be, and how much more the worker would have to pay to insure himself against illness, I suggest to the minister that the worker is paying for illness now and that it costs a great deal more for him to do it on an individual basis than through a group. Illness may cripple you for years, and what is even worse you may go without treatment; you may shorten life itself and leave a dependent family because you could not face the cost of treatment in time. So I urge the minister to think of the family whose breadwinner is ill or whose breadwinner is dead because he did not get medical care soon enough. I urge upon the minister and the cabinet to take into consideration the merging of unemployment insurance into a larger plan of social security.

The minister gave an impressive figure a few moments ago; I think he said three million people were now covered by unemployment insurance, and I am very happy to hear that. But there are many categories who cannot be insured against unemployment. There are also many people who are self-employed. They have the hazard of unemployment and the greater hazard of illness, too common uncovered.

Some mention has been made of New Zealand. I had the benefit of spending almost four months in that country a few years ago, and I found that there they had merged their unemployment insurance into a social security plan. True, the people pay for it; but you never get anything without paying for it; you pay less for insurance within a group than you pay as a private individual, and when you have covered illness too you have covered almost every emergency. I would remind the minister that we are very much more able to do this than New Zealand because we have so very much more in the way of natural wealth.

I was surprised to find that in New Zealand they have no oil, no metals, little timber and hardly any coal. They have an extremely limited economy. They have an agricultural economy and are just beginning to develop secondary industries, and so they have tied their social security to citizenship, not to small industrial groupings as we have done with unemployment insurance. In Canada we have so many people excluded by category and so many people living on farms that we should tie our social security to citizenship rather than to industrial groupings, as Great Britain tried to do at the outset. So I plead with the

minister, and particularly now when the cost of living has risen so tremendously and when it is hard enough, even with a pay envelope, to keep a family together, the children clothed, and food on the table, that he and the government take into consideration insurance against illness, because it is a tragedy if illness strikes and, through illness, the unemployment insurance becomes not payable, so that the family has illness, plus unemployment.

Mr. MITCHELL: I have listened several times today to references to the Liberal platform of 1919.

Mrs. STRUM: Would you like to see it?

Mr. MITCHELL: Certainly; will you pass it over.

Mrs. STRUM: Yes; it is time you read it again.

Mr. MITCHELL: I think it is safe for me to go back with my hon. friend in a diplomatic way to 1919. It is all very well for a political party, even the C.C.F., to say we will socialize this and socialize that when we get into power, but if they give the impression that they can do it all within twenty-four hours they are just fooling themselves and fooling the people.

Mr. STRUM: We never said that.

Mr. McKAY: You have not done it in twenty years.

Mr. FRASER: You have broken your promises.

Mr. MITCHELL: I am sure the hon. friend for Vancouver East has read Engels and Marx and knows what Engels laid down as the ultimate goal of a socialist state. Since 1919 I think this dominion, federally, provincially and municipally, has made more progress in a social way than at any other time in its history. Let us be nice about it. Do not let us all take credit for it. We have all played our part. These Latter Day Saints who think they have an answer for everything are not willing to give credit to those people who went before them.

I remember as a young man after the first great war that I used to read of how they laid the basis for the hospital scheme in Saskatchewan. I think they called it the municipal doctor scheme. During our lifetime we have seen the development of workmen's compensation, of old age pensions, of widespread hospitalization in our communities on a voluntary basis, of mothers' allowances, of unemployment insurance and the raising of the school age. Those things did not fall as the gentle rain from heaven; they were placed in operation by

responsible people. Give credit where it is due; do not take it for yourself after it has already happened.

At this very moment $2,000,000 is being spent every day on social services in Canada, 80 per cent of which is paid by the federal government. I stand to be corrected, but at the outbreak of this war the total budget of the dominion was not $600 million. Today we are spending $750 million on social services.

Reference has been made to 1919. I used to be an active member of the Trades and Labour Congress of Canada and I still carry a card in my pocket. The trade unions have played an active part in connection with the social legislation in this country. Like the farmer organizations, they were the type of organization that could take steps ahead of the average political party which has to wait for public opinion. Even socialist governments have to do that, as do Conservative and Liberal governments. They must wait for the development of public opinion before they introduce legislation of a social character.

Just in passing, I might mention that the trade unions always fought the introduction of family allowances because it was felt they would be used as a substitute for wages. The principle of family allowances was first adopted in Belgium, if I remember rightly, and from that country it spread to other countries like Australia and this Dominion of Canada. Right up to the passing of the legislation, there were powerful trade union bodies in this country which were opposed to family allowances. I think, upon reflection, all in this house will agree that it was one of the greatest social policies ever placed in operation in any country in the world.

If the house will permit a personal reference, my father died when I was eleven years of age and, since I was one of nine children, I know something about the struggles in raising a family under those conditions. People said that this money would be spent in beer parlours or taverns, that it would not be spent on the children. However I do not think any section of the community has a first mortgage on that sort of thing. I believe it is generally agreed that 99 per cent of the moneys paid for family allowances is spent for the benefit of the children of this country.

I think many of us will live to see it in the proper perspective and see proper credit being given to the Liberal administration of this day for placing upon the statute books this piece of humane legislation. We are hearing about 1919, but take a good look at it. Thirty years is merely a heartbeat in the life of a nation. My hon. friends know that.

They had their manifesto in Regina in 1932 and it is still a manifesto in the blueprint stage.

Mrs. STRUM: How can we be blamed for not carrying it out when we have not been the government?

Mr. MITCHELL: My hon. friends will have to do what every political party has had to do, convince the people and the nation that they are on the right track.

Mrs. STRUM: We are.

Mr. MITCHELL: It is just as simple as the fact that the sun will rise tomorrow morning. I am not saying this in a critical sense; it is just a passing observation.

Mr. FRASER: Just in a kindly way.

Mr. MITCHELL: I thought I would just make these one or two observations because we have heard so much about 1919. Probably we shall hear a good deal about 1932.

Mr. CROLL: May we get back to 1948? I am rising to support the statement made in the house by the hon. member for Winnipeg North Centre and the hon. member for Vancouver North with reference to what I think is an unreasonable interpretation of the regulations. The act never contemplated that a man must go to the office in order to draw his unemployment insurance; that is simply an administrative regulation. It appears to me that to deprive a man, who is unable to go to the office because of illness, of his unemployment insurance benefits, is to increase the fund by a method almost tantamount to chiseling.

The minister should take action immediately with respect to this sort of thing. Many cases have been brought to my attention which have been handled in the way indicated in this house. I repeat that it was never intended that the act should be carried out in that way. I know it is easy from the point of view of administration, but on the other hand the act does not depend for its improvement on that sort of administration. It is a good act and, because it is, there is no purpose or reason why it should in a small way incur the anger of people and bring upon itself a certain amount of discredit. This ought to be corrected at once.

Mr. KNOWLES: I should like to say a further word with respect to one other matter the minister was good enough to comment on. I was glad to hear him say that he had an open mind with regard to this question of having three umpires instead of one. I admit that the points he made have some validity, but I know also that in trade union circles there is a strong feeling about this matter. The minister knows that when the Unemployment Insurance Act is discussed in trade union circles it is discussed among its friends.

I am going to give the minister an example of the kind of thing that bothers these friends of the Unemployment Insurance Act. I ask the minister not to get warm under the collar because I refer to this kind of thing. I do not intend to imply that there is any miscarriage of justice or anything of that kind.

According to information put out by the unemployment insurance commission, a certain number of appeals were made to the umpire during the period April 1, 1947, to October 31, 1947. This is the disposition of the appeals dealt with during that period. Of the appeals made to the umpire by the claimants, namely by the persons who were trying to secure their unemployment insurance benefits, two were upheld and thirty-six were denied. On the other hand, in the case of appeals taken to the umpire by the insurance officer, thirty-six were upheld and only eight were denied. I ask the minister not to get hot under the collar because I mention that. I am not trying to make it out as a case of the miscarriage of British justice. I know the minister may say something about the fact that when an insurance officer takes a case to the umpire he is a little better acquainted with the facts, perhaps; but, even after you introduce all these extenuating circumstances, the fact is that that sort of result adds to the feeling of the trade unionists, who are friends of this act, that it would be much better to have these decisions made not by one umpire, but by a board which might consist of at least three umpires.

This is only one of the arguments, but for the others I refer the minister to the brief which I have already quoted from tonight, which I am sure has been submitted to him by the trades and labour council of my own city. I just want to say I am glad that he indicated he has an open mind on this question, and I hope he will pursue the matter and see whether this is not a change which ought to be made.

Mr. SHAW: I have one question. There has come to my notice a number of cases where so-called suitable employment could not be found or where the applicant who was residing in a small hamlet where there was no employment, was ordered to move to take a job in some other place. That has happened in a number of cases, even though the individual may own his home and may have

resided in the place for twenty or twenty-five years. My question is this: is it a hard and fast rule that if suitable employment cannot be found for the applicant in the community in which he is domiciled he cannot secure unemployment insurance benefits if he refuses to move from that community?

Mr. MITCHELL: The answer is no.

Mr. FERGUSON: Does the minister mean to say that if a man resides in a certain community such as the town I come from, Collingwood, and there is no employment for able-bodied men in that town and there is a position offered him in some other part of Canada, that man can live at the expense of the taxpayer simply because there is no work for him in Collingwood?

Mr. MITCHELL: That is not what I said. I said there was no hard and fast rule. That was the implication I gave.

Mr. FERGUSON: Where does the discretion lie? Does it lie in the hands of the manager in that particular community?

Mr. MITCHELL: Discretion lies at the first level, and then there is an appeal to the court of referees and then to the umpire.

Mr. FERGUSON: I am sure that the gentleman who does not want work except in his bailiwick does not appeal to your board if your manager is generous with the taxpayers' money and gives the loafer unemployment insurance. Who has the say? Surely there must be some rule. I am astounded to find that a man may refuse work, remain at home and still draw unemployment insurance.

Mr. MITCHELL: I think I made that point earlier in the evening.

Mr. FERGUSON: I am not looking for votes.

Mr. MITCHELL: It is difficult to put in language what is suitable employment. What may be suitable employment for my hon. friend would not be suitable employment for me. Does the hon. member get my point? It may not be suitable employment for the hon. member for Winnipeg North Centre. That is the reason we have the checks and balances to regulate the administrative organization in the insurance offices. Then there is an appeal to the referee and, after that, to the umpire if necessary.

Mr. FERGUSON: What I am getting at is this. There is a regulation which says, "If suitable employment can be obtained." The man cannot simply say, "I will refuse to take it because I own my own home in this community," if there is no suitable work for him in his community. If there is work some place else in Canada, surely he cannot sit back and draw unemployment insurance.

Mr. MITCHELL: He can be told to go to the other place.

Mr. FERGUSON: If he does not go, you can then tell him to go where?

Mr. MITCHELL: Suppose you are the insurance officer or a member of the court of referees and a man comes to you who is unemployed. He may have a young family, and his wife may not be very well. I may be living in Collingwood and I may not want to go to Toronto to work—I do not know why I would not want to go there.

Mr. KNOWLES: You have lived in a lot of places tonight.

Mr. MITCHELL: In a case such as that, you have to use common sense and judgment. As I said earlier in the evening, the British who have had nearly forty years' experience with this legislation have not yet found language that will cover every case in point. It is pretty difficult to put it all down in English.

Mr. FERGUSON: They have ended up with a socialistic government in England.

Mr. HANSELL: The minister has been at bat all night and has been knocking out a few grounders.

Mr. BRYCE: Mostly foul balls.

Mr. HANSELL: He thinks it is just about time that he took his base. I should like to ask him a question with respect to part-time employment. I will give him a hypothetical case. A man is employed by several different companies or persons. He may be the janitor of a bank; he may be the fireman in some other building and he may be a janitor in a store. As I understand it, the first person for whom he works is the one who pays the employer's part of the insurance; but the hypothetical case is that the man does not have to work any particular hours in these particular cases. He may work for one person first for one day and for another person first the next day. I am told that there are cases where the three employers are paying their share of the unemployment insurance when only one employer should be paying it. Can the minister clarify that situation for us?

While I am on my feet, may I say that I have no serious criticism to make of the administration of the Unemployment Insurance Act. I have a constituency where unemployment insurance has to be administered carefully and properly, and I wish to say that

I have had fewer cases of complaint in that regard than of almost any other department of government affecting my constituency. Generally speaking, I think the Unemployment Insurance Act functions smoothly. Can the minister clarify the position I have mentioned?

Mr. MITCHELL: I do not want to read the regulations; I shall put them in a few words. Where a man works for several employers each day, the commission can make arrangements as to who shall be assessed for the payment. Failing that arrangement, the first employer pays the assessment.

Resolution reported, read the second time and concurred in. Mr. Mitchell thereupon moved for leave to introduce Bill No. 203, to amend the Unemployment Insurance Act, 1940.

Motion agreed to and bill read the first time.

ANIMAL CONTAGIOUS DISEASES

EXTENSION OF TIME FOR PROSECUTION AND TO PROVIDE FOR THE OFFENCE OF CONSPIRACY WITH HEAVIER PENALTIES

Right Hon. J. G. GARDINER (Minister of Agriculture) moved the second reading of Bill No. 149, to amend the Animal Contagious Diseases Act.

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

On section 1—Short title.

Mr. CHARLTON: Will the minister make a statement?

Mr. GARDINER: This bill has been considered in the Senate, passed by the Senate, and is now before us in the form of Bill No. 149 of the Commons. The bill is to provide protection for the considerable trade that has been built up between this country and the United States in purebred and dairy cattle. We had an export of dairy cattle to the United States, just prior to the war, of about 9,000 head per annum and about the same number of purebred cattle. That export has grown from the figure of around 9,000 to 68,000 in dairy cattle in 1946, which dropped to 45,000 in 1947, and of purebred cattle the trade was built up to 28,000 in 1947.

It will be seen from these figures that this is a considerable trade and probably one which brings a great deal of wealth to the farmers in certain sections of Canada, particularly to the group who raise this type of cattle for sale.

We have experienced some difficulty in connection with the export of these cattle, partly perhaps because of the profits which can be made from the sale of cattle of this type in that market, and we feel that we require heavier penalties than those provided for in the act as originally drawn, in order to make certain that we can maintain this trade.

Cattle cannot be exported to the United States without a certificate of tuberculin test, blood test and freedom from contagious disease, signed or endorsed by a veterinarian inspector under the health of animals division.

In the second place, stock owners can employ accredited veterinarians at their own expense to take such tests and issue such certificates. The certificate of the accredited veterinarian is taken to the veterinary inspector for endorsation. He endorses the certificate, relying on the integrity of the accredited veterinarian.

We have had some difficulty in the matter, in that there appears to have been, and in some cases has been proved, a certain amount of conspiracy in connection with the issuing of certificates. It was found when the cases were heard, that there was great difficulty in securing conviction and the kind of penalty we feel ought to be provided. Complaints during the past three or four years have been received from the United States department of agriculture, as well as from different state departments of agriculture, indicating that tuberculosis cattle and cattle affected with Bang's disease were arriving there from Canada, covered by proper certification.

On investigation it was found that there were infractions of our regulations. In the first place, there had been removal of the ear tags which mark cattle, and there had been substitution of animals; that is to say, the tag would be taken from one animal and put on another. Then there had been inadequate and improper tests for disease. There had been false certificates by accredited veterinarians.

In order to meet these cases and to prevent their happening in the future, this act is being amended to provide greater penalties. The time limit under the code was previously six months and the period is being made longer. The limit must be increased to give time to make full investigation and to have reports made back with regard to the stock.

To overcome this difficulty, conspiracy charges were laid, some of which were dismissed because the offences under the act were not indictable. The solution which is being suggested under the act is to extend the time limit for prosecution. This removes the

difficulty of prosecuting, but recent investigations also indicate serious conspiracies to defeat the whole act. We therefore feel that a more severe penalty should be provided for infractions. One method would be to make offences against the act and regulations indictable offences, but this would be too severe in the case of many minor infractions. Therefore this amendment creates a distinct offence with heavier penalties. This is done by changing section 50 of the act, and the bill is to provide for that change.

Mr. CHARLTON: How many convictions have there been in the last couple of years?

Mr. GARDINER: I am not able to say how many convictions there have been. There would probably have been more started if this particular clause had been drawn as now proposed. In a number of cases we had great difficulty in obtaining convictions, and in some where convictions were obtained, it was thought the penalty was not sufficiently severe to prevent their happening again.

Mr. WRIGHT: May I ask the minister if the same types of tests are used in both countries for Bang's disease and tuberculosis? There was some indication a year ago that different types of tests were used, and that was partly the reason why the cattle were going down that were exported.

Mr. GARDINER: Until about two years ago the tests which we were using in Canada were somewhat different from those being used recently in the United States. Some change has been made in order to make the tests more nearly conform in the two countries. The same is true with regard to Bang's disease. We have now accepted the calf vaccination practice which has been going on in the United States for a considerable time so as to prevent Bang's disease.

Mr. STEPHENSON: Is there an improvement in the situation with regard to the number of veterinarians available to make tests? In my county, cattle shipments to the United States are held up unduly through lack of veterinarians to test the animals. In some cases there is no veterinarian in the county and the exporters have to send out and bring one in to do the work. Is there any improvement?

Mr. GARDINER: The situation has not improved greatly up to the present, although we have made arrangements under which third-year students and up are accepted as internes, so to speak, to go and work under the direction of veterinarians. But there are 500 veterinary students in the colleges at present who will graduate within the next four years. The number that will graduate this year is not as great as the number that will graduate in the last two years of that period, but there are approximately 500 whom we expect to graduate within that period of time. That is not nearly enough to take care of the situation which now exists, and we hope that it will be found necessary and possible greatly to increase the numbers as the years go along. I think the only condition that will make it possible to encourage men to go into the practice of the treatment of animals is a continuation of the fairly good prices that are now obtained for livestock, which makes it possible for men who are raising livestock to call in veterinarians in many more cases than they were able to do a few years ago.

Mr. STEPHENSON: I do not think the remuneration which is being paid to veterinarians by the department at the present time will attract veterinarians into the department for this work. I understand that the remuneration paid is $2,800 a year. I think any veterinarian could go out today and earn a good deal more than $2,800 a year. Has any consideration been given to raising the remuneration of these veterinarians in order to attract them to the department?

Mr. GARDINER: In recent months there has been adjustment of payment which has been made under the direction of the civil service commission. All I can say in regard to it is that we are informed that our veterinarians are being paid on a level which the civil service commission thinks is sufficiently high to compare favourably with salaries being paid in other departments. I cannot go any farther than that at the moment. We have one or two vacancies on the staff of the department at the present time, which would indicate what the hon. member says is true, namely, that most veterinarians can make more outside the department at present than they can in it. I should just like to say that condition is rather a new development over the last five or six years.

Mr. BRYCE: When a complaint is received that there has been infringement of this act, or when there is a complaint about an animal going to the other side of the boundary, does that matter come to the minister's department? Do the Department of Agriculture and the minister set the prosecution afoot, or is that done by the Minister of Justice?

Mr. GARDINER: We have an arrangement with the United States authorities under which they accept certification from our veterinarians under the conditions that I outlined

a few moments ago. Of course, if we get reports from there that cattle are arriving in the United States which are not in accordance with the certification, then we may give a warning. If it is not a serious case or if it is not a repeat of something that has happened before, we may give a warning. But if there is any repeating of the offence, of course prosecution will be started.

Mr. BRYCE: Is that the responsibility of the Department of Agriculture?

Mr. GARDINER: Yes, of the Department of Agriculture.

Mr. WRIGHT: I should like to find out a little more about this matter of prosecution. It would be mostly a matter of cases of United States buyers who are here and pick up cattle, and who are endeavouring to get them across, in which the offences would occur; or at least I would suppose it would be in their case that most of the offences would occur. What jurisdiction has the minister to prosecute in those cases where the offences may have been committed by someone outside the country?

Mr. GARDINER: The cases I know of are not cases of United States buyers. They are cases of Canadian sellers; that is, they are buyers from the farmers who sell into the United States. The conspiracy is, in some instances, between the veterinarian who gives the certificate and the buyer who is buying the cattle; and in other instances, it will be as between the veterinarian and the owner of the cattle who wants them cleared, to be shipped to the United States.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

PRAIRIE FARM ASSISTANCE ACT

AREAS SURVEYED AS SETTLEMENT OR RIVER LOTS—LAND IN ELIGIBLE AND INELIGIBLE TOWNSHIPS

Right Hon. J. G. GARDINER (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to bring in a measure to amend the Prairie Farm Assistance Act, 1939, to provide that the act may apply to areas surveyed as settlement or river lots, to provide also that where a farmer has land in an eligible township and land in an ineligible township payment may be made to him to the full amount of his eligible land, and for the purpose of clarifying certain provisions of the act.

Mr. WRIGHT: Will the minister give an explanation of just what are the implications of this resolution?

Mr. GARDINER: Hon. members who come from the area along the Red river, and those who come from areas in Saskatchewan along the Saskatchewan river, will understand that the first settlers in those areas settled on the system of land ownership which prevailed at that time in the province of Quebec; that is, they have river lots which ran back from the river. The river was then the means of transportation as between these various farms, and they have a system of river lots that run from the river back into the country. Under this resolution we provide that payment shall be paid on the basis of a township; and the township, as we understand it and as it is defined in the act, is the local survey unit six miles square. No provision was made in the original act for taking care of these river lots. It has become necessary, as a result of experiences during the last year, to make such provision. These lots are now in areas which should draw under this act, and there is no special provision for them. So this gives us authority, under the regulations, to define, within the district in which the river lots are, an area which bears a reasonable relationship to the six miles square that prevails in other sections of the three western provinces.

The other matter which is mentioned in the resolution specifically has to do with an amendment we made last year. Hon. members will recall that when I brought in the legislation last year I suggested that no material change was being made in the principle underlying the payments which were to be made. But after we started to administer the act, we found that in one of the sections we had provided something which did make a material change. Where a farmer was on land in two different townships, and where one piece of land was removed from the other by four or five, or maybe ten miles, part of the land would be in a district where there was an average crop of less than eight bushels to the acre, while the other would be in a district where the average would be perhaps more than eight bushels, which meant that the one piece of land would come under the act while the other would not. Last year we provided, I think inadvertently—I did not understand at the time that this change would be made, and certainly it was not explained to other hon. members—that this land would be dealt with proportionately, as between the two areas, as though it were one farm. It has been found that this does not deal fairly with farmers in the different areas, and we are simply asking to have the act put back as it was before. There will be no change now from the provision which was in effect prior to last year,

and the payments for 1947 will be made as though the act had not been amended at that time. It will result in some additional amount going to the farmers as compared with what they would get under the amendment of last year; and, since the act has been administered on the other basis ever since 1939 and has given general satisfaction, we do not think this change should be made. Therefore we are asking to have it amended in order that payments may continue to be made on the old basis.

These are the chief amendments being made. As is indicated, the others are for purposes of clarification, and I think they can be better discussed when we are considering the bill in committee.

Mr. BENTLEY: Last year the act was amended to permit the payment of prairie farm assistance to those operating co-operative farms. Has that been carried out this year?

Mr. GARDINER: No change is being made in that connection. It is left as it was last year.

Mr. BENTLEY: I ask the question because today I was informed that the Matador co-operative farm is not receiving those payments, on the ground that it is a co-operative. I should like the minister to verify that, if he will, because it is a serious situation.

Mr. GARDINER: I can get that information before the bill is brought down, and we can discuss it then.

Resolution reported, read the second time and concurred in.

Mr. GARDINER thereupon moved for leave to introduce Bill No. 204, to amend the Prairie Farm Assistance Act, 1939.

Motion agreed to and bill read the first time.

VETERANS REHABILITATION ACT

EXTENSION OF ALLOWANCE PROVISIONS

Hon. MILTON F. GREGG (Minister of Veterans Affairs) moved the second reading of Bill No. 200, to amend the Veterans Rehabilitation Act.

Mr. BROOKS: Will the minister give a short explanation of the bill?

Mr. GREGG: I do not wish to add anything to what I said on the resolution Friday evening, except that, following second reading, I shall move that it be referred to the committee on veterans affairs.

Mr. A. J. BROOKS (Royal): I do not propose to say very much on this bill at this time, since it is to be referred to the committee on veterans affairs. When the minister was speaking the other day I understood him to say the bill was intended to correct certain anomalies and conflictions; I think those were his words.

At the outset I may say I am in agreement with the principle of the bill in practically all its aspects. There is one anomaly, however, that I think should be dealt with briefly tonight. That is the situation of members of the merchant marine as far as educational benefits are concerned. On numerous occasions we have urged that the young men who served in the merchant marine should receive the same benefits as those who served in the other branches of the services, and I believe that this is an anomaly which the minister and the veterans affairs committee might very well deal with when the bill is under consideration.

Another anomaly, as I think I may call it, has to do with the South African nurses. We remember that at first these nurses were not given the benefits which were granted to the other nurses who went overseas, as the result of a certain situation that arose in South Africa. Later they were granted those benefits; but I have been informed that certain nurses who served in South Africa did not return home but married in England and other parts of the world. Because those nurses did not return to Canada they have not been able to obtain benefits under either the War Service Grants Act or the rehabilitation act, and I think this is something which should receive consideration.

Then I have a letter before me from a Canadian doctor who was in the United States when war broke out. He came back to Canada desiring to join the Canadian forces but was rejected on physical grounds. He returned to the United States and served with the United States forces in the south seas for nearly three years. He then returned to Canada, but not being able to set up a practice, returned to the United States and took out his first citizenship papers, but not being satisfied again returned to Canada. Because he served in the United States army and took out papers as a United States citizen he cannot obtain rehabilitation benefits from our Department of Veterans Affairs. Because he was a Canadian citizen during the period of his service with the United States he cannot obtain benefits from the United States department, and I think this is an anomaly. In his letter the doctor says he knows of other cases of the kind, so that I think this is another matter which should receive some attention.

As I said, Mr. Speaker, this bill will be before the veterans affairs committee, so it is

not my intention to deal with it at any greater length this evening.

Mr. G. R. PEARKES (Nanaimo): Mr. Speaker, I should like to bring to your attention one amendment which will work great hardship on a certain group of veterans. I refer to the statement made by the minister on April 16 concerning the veterans of the permanent force who will be deemed to have been discharged or retired from the force as of September 30, 1947. When we were discussing this amendment during the resolution stage, at one time the minister was under the impression that I was referring to the younger men who were joining the permanent force. I want to make it quite clear that I refer to the veterans who served during the second world war and who decided to remain on in the active forces of this country. When a man joins the active forces he enlists for a definite period of time, for five years in the Royal Canadian Navy, five years in the Royal Canadian Air Force, and from three to five years in the Canadian army.

These men on the 30th day of September, 1947, were discharged or, I should say, ceased to be in the interim forces, and many of them on that day or on the following day or at some subsequent period decided to enlist in the active forces. They entered as it were into a contract with the government to give their services in the active forces and to receive in return certain pay and allowances. At that time, as they knew, rehabilitation allowances were then being granted to men who were being discharged from the army, navy or air force at the time they took their discharge. Those are the allowances which veterans coming within the army, navy or air force have been entitled to, provided that they make application within twelve months of the time of their discharge.

I submit that the men who remained on did so in some cases fully realizing that they would be eligible for these allowances when the period of their service was terminated. The justice of such a course would seem to be illustrated by subsequent remarks made by the minister when he said, as reported at page 3068 of *Hansard*, in the discussion.

If by any chance he is discharged—

That is, one of these veterans.

—now or next week or next year he will, of course, come under whatever remaining benefits there may be related to the last war.

Again on the following page he said:

As they come out from month to month, they will certainly be entitled to such rehabilitation benefits as gratuities, re-establishment or Veterans' Land Act benefits.

We are discussing at the moment rehabilitation allowances, awaiting business returns and education allowances in the main. I submit that at this stage when men are through their term of enlistment, and when they have in good faith carried out the terms of the contract which they made with the government, it is a gross breach of contract to say now that they may not get those benefits to which it was agreed or understood at the time they would be entitled, and which the minister on Friday night thought they would be allowed to get as they came out from month to month, or this week or next week or some time next year.

I feel that the bill as it is presented to us establishes a cut-off line, the 30th day of September, 1947; and twelve months after that, which I suggest is the 30th day of September, 1948, these men would not be entitled to the allowances to which I have referred.

The only fair way to deal with this matter would be to say they would be entitled to these allowances until the termination of their enlistment contract; that is, until the end of the three or five years, as the case may be, for which they have entered into a contract with this government to serve under the terms decided upon in 1946 or whenever they joined. A man decided, perhaps at the end of 1946, that he would stay on in the permanent force because he would realize at that time he was not ready to start up in business or he was not ready to take that course of training which he desired in order to complete his re-establishment into civil life. So he entered into a contract with this government for a term of three or five years' service, and I submit that it is a gross breach of faith to break that contract at this time.

I hope the minister will consider an amendment to the amendment so as to enable the veteran who is now serving in the active forces to complete his first term of enlistment and, at the conclusion of that term of enlistment, to receive all the allowances which are now in force under the rehabilitation act.

Mr. HOWARD C. GREEN (Vancouver South): Mr. Speaker, as the house knows, it is under this act that assistance is given to veterans attending university. On Friday evening we had a short discussion with regard to these particular veterans, and on Saturday morning, as luck would have it, I received a brief on the "Financial Problems of Student Veterans at the University of British Columbia," submitted by the university branch of the Canadian Legion. That branch is very strong and well run, and in the past its summaries of situations faced by the student

veterans have been accurate. I have no reason to doubt that the present brief is also carefully prepared and well worthy of study.

They deal with several points, but this evening I should like to emphasize two to the minister. The first is the position of the single veterans. There has been no increase in the amounts paid to them, and this brief states:

A sample poll taken among single student veterans at University of British Columbia in March, 1948, showed that 32 per cent of those answering said they could not complete their courses on their present income, and an additional 12 per cent said it was doubtful. Further, 90 per cent of all students polled worked during the summer vacation.

That is their review of the situation of the single veteran.

They also deal with the question of permissible earnings; that is, the amounts which students are allowed to earn before their grants are reduced. The brief sets out:

In the case of all groups the present regulations limit the earnings of a student veteran or his wife to $75 a month or alternatively reduce his grant by any amount over $75 earned. We know of no case where the husband and wife have been able to earn $75 a month each thus making a combined "other income" of $150. Under the existing regulations where the wife earns nothing the husband who earns over the $75 a month has his grant reduced by the amount he earns over the $75. While the possibilities of a man earning more than $75 and still succeeding with his studies are limited, nevertheless, some possibilities exist. For example, some students have been able to obtain jobs as night watchmen under circumstances where they can study during the greater part of their working hours. In order to take such a job the student veteran must work the number of hours per month which the job calls for. If the job pays, for example, $90 a month his grant is reduced by $15. If he accepts only $75 a month for a job which would normally pay $90, in order to avoid reducing his grant, the net effect of the government regulation is to subsidize the employer, and often entails breaking minimum wage laws in the province of British Columbia.

In the case where the wife earns over $75 like restrictions apply. Should a man's wife be earning more than $75 per month the husband's grant is reduced to the single rate, hence if a wife is earning $80 a month her husband's grant is reduced from $90 to $60.

And later on:

We are firmly of the opinion that the overhead cost of enforcing this regulation is far greater than the amount the government could possibly save by whittling down the grants of student veterans in this manner.

It is difficult to reconcile the present restrictions on earnings with the government's attitude towards self-help on the part of the student veteran and, therefore, we urge that all restrictions on earnings of student veterans be removed.

They go on to point out that this business of reducing the grant to student veterans is solely within the discretion of the minister under the terms of section 13 of the act. No amendment would be required in order to enable the minister to change these regulations, because apparently they are ministerial. I suggest once again that the minister and his department give careful consideration to doing away with this restriction on veterans earning what they can get. I do not think it is helping the government; I do not think it is helping the country, and it is hard on the veterans themselves.

[Mr. Green.]

Mr. BENTLEY: When the minister spoke a few minutes ago he did not speak loudly and he was not facing this way. Did he say he was going to ask that this bill be referred to the special committee on veterans affairs?

Mr. GREGG: Yes.

Motion agreed to, bill read the second time and referred to the special committee on veterans affairs.

RAILWAY GRADE CROSSING FUND

INCREASE IN AMOUNT TO BE APPROPRIATED FOR NINE YEARS FROM APRIL, 1948

Hon. LIONEL CHEVRIER (Minister of Transport) moved the second reading of Bill No. 201, to amend the Railway Act.

Mr. GREEN: May I suggest to the minister that this bill be allowed to stand since it is now five minutes to eleven?

Mr. CHEVRIER: I am perfectly satisfied to move the adjournment of the debate.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. CHEVRIER: Tomorrow we shall resume the debate on the amendment of Mr. Coldwell to the motion to go into supply and the subamendment of Mr. Bracken. It is hoped that we shall be able to complete the debate on the amendment and subamendment before six o'clock, but if that is found to be impossible the debate will be adjourned until Wednesday at three o'clock in the afternoon. From eight o'clock until nine o'clock tomorrow evening we shall take public bills. After nine o'clock we shall take the second reading of the Vocational Training Co-ordination Act amendment, which is No. 6 on today's order paper. Then the second reading of the Unemployment Insurance Act amendment, which is No. 15 on today's order paper. Then the second reading of the bill to amend the Prairie Farm Assistance Act, No. 14 on the order paper, and the second reading of Bill No. 201 to amend the Railway Act, No. 7 on the order paper.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME III